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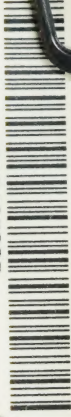
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CONDITION

AND

PROSPECTS OF CANADA

IN

1854.

AS PORTRAYED IN THE DESPATCHES OF THE RIGHT HONORABLE THE
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Quebec :

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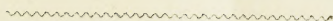
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C A N A D A .

THE EARL OF ELGIN TO SIR JOHN PACKINGTON.

[No. 64.]

GOVERNMENT HOUSE,

Quebec, 18th December, 1854.

SIR,

I have the honor to transmit herewith the Blue Book for 1853, together with the Public Accounts and Tables of the Trade and Navigation of the Province for the same year. Evidences of progressive prosperity, not less striking than those to which I called attention in my despatches, No. 116 of the 22nd December, 1852, and No. 58 of the 16th August, 1853, which accompanied the Blue Books for 1851 and 1852 respectively, are furnished in these documents.

2. The value of Imports into the Province for 1853 is stated at £6,571,527 19s. 10d.,—for 1852, at £4,168,457 8s. 5d ; and the duties on Goods entered for consumption in 1853, at £845,487 15s. 3d.,—in 1852, at £607,613 18s. 10d. As a further proof that this progress is continuous, I may mention that the Imports for the half year ending 5th July, 1854, are valued at £3,836,245 6s. 10d., and the Duties of Customs collected during the same period, at £464,935 9s. 4d., while the Imports for the corresponding half year in 1853, were £2,811,970 10s. 1d., and the Duties, £367,128 4s. 10d.

3. The Exports for 1853 are valued at £4,890,678 14s. 3d., for 1852, at £3,145,398 14s. 4d.

On each of the following heads under which they are classed in these returns,

Produce of the Mine,
of the Sea,
of the Forest,

Animals and their Produce,

Vegetable food, and other Agricultural products,

there is an encrease over the year preceding. The Mineral Exports of the Province are quoted at the low amount of £22,466 8s. 8d., but it is probable that ere many years have passed, there will be a considerable encrease on this head.

4. The financial state of the Province seemed to me to justify the insertion of the following paragraph in the Speech delivered from the Throne at the commencement of the present Session of the Provincial Parliament :

“ You may probably be of opinion that the prosperous condition of the Revenue affords an opportunity of which Parliament may properly avail itself to revise the existing Tariff, with a view to the removal of such duties as affect Raw Materials employed in ship building and other branches of Manufacture within the Province, and to the reduction of others to which articles entering largely into the consumption of the people are now subject.”

Resolutions in the spirit of the above recommendation, and substituting to a certain extent specific for *ad valorem* duties, have passed the Legislative Assembly. That measures of this description should be practicable at a time when the nation of which this Colony forms a part, is engaged in war with one of the greatest Empires of the earth, and that the external commerce of the Province should be hampered at such a crisis neither by war freights nor war insurances, are striking proofs both of the power of England and of the liberality of her Colonial policy.

5. As this is probably the last Report on the affairs of Canada which I shall have the honor of submitting, I avail myself of the opportunity to append some statistics taken from official sources, supplementary to those which accompanied the despatches to which I have already referred, and illustrative of the advance which the Province has been making during the last few years. Such a review is the more appropriate at this time, as the adoption of reciprocal freedom of Trade in natural products with the United States, may be held to inaugurate a new era in the Commercial history of Canada, and to close the period during which the Province has been exposed in the British markets to the competition of the United States, without being admitted on equal terms to those of the latter country.

This period of transition from a system of partial protection to one of entire freedom of trade, has coincided with the term of my Administration of the Government, and it has been a most interesting and instructive lesson to observe the great progress in material prosperity, and the remarkable developement of the principle of self-reliance, which has taken place in the Province under circumstances which by many were deemed discouraging.

6. Value of Imports and Exports in each year from 1847 to 1853, both inclusive :

<i>Year.</i>	<i>Imports.</i>	<i>Exports.</i>
1847	£2,966,870 15 0	£2,203,054 3 8
1848	2,629,584 17 11	2,302,830 17 6
1849	2,468,130 6 9	2,193,078 0 3
1850	3,489,466 3 5	2,457,886 1 2
1851	4,404,409 0 2	2,663,983 14 4
1852	4,168,457 8 5	2,888,213 19 3
1853	6,571,527 19 9	4,523,060 19 1

Imports for the half year ending 5th July, 1854, £3,836,245 6 10.

7. Revenue and Expenditure in each of the same years :

<i>Year.</i>	<i>Revenue.</i>	<i>Expenditure.</i>
1847	£416,569 18 4	£376,456 6 4
1848	312,037 6 0	389,992 14 11
1849	421,998 4 0	370,613 15 2
1850	578,822 11 3	437,312 11 3
1851	692,206 4 9	521,643 11 3
1852	723,724 7 4	535,171 6 7
1853	982,334 10 2	611,667 16 5

8. The increase of Expenditure since 1847, has consisted mainly of the following items :

Interest on Public Debt.....	£21,500
Expences of Legislature.....	8,220
Education	24,660
Agriculture.....	4,110
Hospitals and Charities.....	9,864
Sinking Fund (not paid in 1847).....	60,000
Administration of Justice.....	21,500
Miscellaneous	34,500

9. The Revenue from Canal Tolls in each year from 1847 to 1853, has been as follows :

<i>Year.</i>	<i>Gross.</i>			<i>Net.</i>
1847	£41,204	4	5	£23,330 12 0
1848	38,214	1	3	14,828 18 4
1849	46,193	5	0	33,217 14 0
1850	53,335	6	2	38,607 4 7
1851	65,122	6	8	43,975 14 0
1852	71,684	15	4	45,777 9 8
1853	82,830	6	1	50,611 19 10

10. I append a statement of the Ships built at Quebec in each of the years 1851, 1852, 1853 and 1854 :

1851....	Ships &c.	43....	39,364	Tons.
	Schooners	22....	2,141	"
	Steamers	3....	150	"
		68	41,655	"
1852....	Ships &c.	29....	26,422	"
	Schooners	19....	1,581	"
	Steamers	4....	572	"
		52	28,575	"
1853....	Ships &c.	50....	49,541	"
	Schooners &c.	38....	3,377	"
	Steamers	3....	85	"
		91	53,003	"
"	Foreign Ships } registered as } British,	6	2,988	"
1854	} Ships &c. Schooners &c. Steamers	43....	44,165	"
to		25....	2,625	"
18th Nov.		8....	518	"
		76	47,308	"
"	Foreign Ships } registered as } British,	5	2,522	"

11. The number of Emigrants who arrived at the Port of Quebec, was—

In 1847.....	90,150
1848.....	27,939
1849.....	38,494
1850.....	32,292
1851.....	41,076
1852.....	39,176
1853.....	36,699
1854.....	54,112

The year 1847, was that of the Irish famine, and the Immigration of that year was attended with a frightful amount of disease and mortality. Since that time, the regulations affecting the passenger trade, and the Quarantine arrangements for Immigrants arriving at Quebec, have been placed on an improved footing.

12. The sufferings of the Irish during that calamitous period induced philanthropic persons to put forward schemes of systematic colonization, based in some instances on the assumption that it was for the interest of the Emigrants that they should be as much as possible concentrated in particular portions of the territories to which they might proceed, so as to form communities complete in themselves, and to remain subject to the influences, religious and social, under which they had lived previously to Emigration. It was proposed, if I rightly remember, according to one of those schemes, that large numbers of Irish with their priests and home associations should be established by Government in some unoccupied part of Canada. I believe that such shemes, however benevolent their design, rest on a complete misconception of what is for the interest both of the Colony and of the Immigrants. It is almost invariably found that Immigrants who thus isolate themselves, whatever their origin or antecedents, lag behind their neighbors; and I am inclined to think, that as a general rule, in the case of Communities whose social and political organization is as far advanced as that of the North American Colonies, it is for the interest of all parties that new comers, instead of dwelling apart and bound together by the affinities whether of sect or

party, which united them in the country which they have left, should be dispersed as widely as possible among the population already established in that to which they transfer themselves.

13. It may not be altogether irrelevant to mention as bearing on this subject, that the painful circumstances which attended the Immigration of 1847 created for a time in this Province a certain prejudice against Immigration generally. The poll tax on Immigrants was increased, and the opinion widely disseminated that however desirable the introduction of capitalists might be, an Immigration of persons of the poorer class was likely to prove a burden rather than a benefit. Commercial depression, and apprehensions as to the probable effect of the Free Trade policy of Great Britain on the prosperity of the Colonies, had an influence in the same direction. To counteract these tendencies which were calculated, as I thought, to be injurious in the long run both to the Mother Country and the Province, public attention was especially directed, in the Speech delivered from the Throne in 1849, to Immigration by way of the St. Lawrence, "as a branch of trade which it was most desirable to cultivate (irrespective altogether of its bearing on the settlement of the Country) in consequence of the great excess of Exports over Imports by that route, and the consequent enhancement of freights outwards. These views obtained very general assent, and the measures which have been adopted since that period to render this route attractive to Emigrants destined for the west, (the effect of which is beginning now to be visible in the yearly increasing amount of Immigration by way of Quebec from the Continent of Europe,) are calculated not only to promote the trade of the Province, but also to make settlers of a superior class acquainted with its advantages.

14. I append a statement shewing the number and tonnage of ships entered inwards at Quebec with cargoes, or in ballast, in each of the years from 1846 to 1854, distinguishing British from Foreign vessels. Among the entries from the United Kingdom more especially, there appears to have been, during this period, a constant increase in the proportion which vessels with cargo bear to vessels in ballast—a result due, it may be presumed, to the yearly augmenting importation by way of the St. Lawrence, of bulky articles, such as Railway Iron and Salt intended for the Western States.

PORT OF QUEBEC.

VESSELS INWARDS—1846 to 1854—CARGOES AND BALLAST—BRITISH AND FOREIGN.

FROM.	BRITISH.				FOREIGN.			
	With Cargoes.		In Ballast.		With Cargoes.		In Ballast.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1846 —The United Kingdom.....	342	129,550	559	369,137	.....	.....	.....	.....
British N. A. Colonies.....	105	7,577	21	4,448	.....	.....	.....	.....
United States.....	13	7,366	28	19,955	.....	.....	.....	.....
Elsewhere.....	27	5,934	86	24,438	.....	.....	.....	.....
	497	150,427	993	417,978	.....	.....	.....	.....
1847 —The United Kingdom.....	289	119,643	691	309,260	.....	.....	.....	.....
British N. A. Colonies.....	83	6,024	38	8,306	.....	.....	.....	.....
United States.....	11	2,780	19	10,726	.....	.....	.....	.....
Elsewhere.....	19	3,338	43	13,191	.....	.....	17	5,846
	402	131,795	791	341,483	.....	.....	17	5,846
1848 —The United Kingdom.....	286	114,037	587	250,982	.....	.....	.....	.....
British N. A. Colonies.....	101	6,431	44	6,976	.....	.....	.....	.....
United States.....	8	4,630	73	43,804	.....	.....	1	437
Elsewhere.....	25	5,579	61	18,999	2	261	.....	.....
	420	130,977	765	320,761	2	261	1	437
1849 —The United Kingdom.....	284	127,022	563	236,698	.....	.....	.....	.....
British N. A. Colonies.....	98	7,035	68	11,904	.....	.....	.....	.....
United States.....	59	18,604	76	45,377	.....	.....	1	544
Elsewhere.....	18	4,314	47	13,500	.....	.....	.....	.....
	429	157,065	754	307,479	.....	.....	1	544
1850 —The United Kingdom.....	299	130,526	586	157,297	12	4,506	19	7,133
British N. A. Colonies.....	122	10,385	52	8,949	.....	.....	.....	.....
United States.....	21	15,588	130	76,535	4	1,880	44	21,931
Elsewhere.....	23	5,480	52	16,111	9	1,709	23	7,724
	465	161,979	620	258,892	25	8,095	86	36,838
1851 —The United Kingdom.....	351	150,873	443	192,875	19	6,934	35	13,776
British N. A. Colonies.....	108	7,792	67	10,255	.....	.....	.....	.....
United States.....	8	4,809	107	64,120	.....	.....	40	22,841
Elsewhere.....	25	4,925	44	17,062	9	2,092	14	5,073
	522	198,399	661	284,312	28	9,026	89	41,690
1852 —The United Kingdom.....	386	194,776	347	143,812	10	3,419	25	9,452
British N. A. Colonies.....	103	8,505	70	7,836	1	661	.....	.....
United States.....	6	2,596	102	59,169	3	980	57	35,892
Elsewhere.....	21	4,269	34	11,221	16	4,316	40	14,215
	516	211,446	553	222,038	30	9,378	122	59,560
1853 —The United Kingdom.....	436	216,280	302	129,627	25	8,653	24	8,209
British N. A. Colonies.....	160	12,359	68	11,454	.....	.....	.....	.....
United States.....	21	9,124	98	62,393	6	3,998	54	36,159
Elsewhere.....	27	5,314	43	16,195	24	5,771	54	19,451
	644	243,086	511	229,679	55	18,322	132	63,819
1854 —The United Kingdom.....	488	241,876	241	122,145	22	8,371	18	7,195
British N. A. Colonies.....	108	11,345	41	10,452	2	370	.....	.....
United States.....	5	2,866	46	50,337	9	5,164	37	33,970
Elsewhere.....	29	6,591	93	30,311	27	6,925	45	17,360
	630	265,078	421	193,745	60	21,330	100	58,525

15. The large amount of wild land held by individuals and corporations, renders the disposal of the public domain a question of less urgency in this than in some other Colonies. Opinion in the Province runs strongly in favor of facilitating its acquisition in small lots by actual settlers, and of putting all possible obstacles in the way of its falling into the hands of speculators. This opinion is founded no doubt in part on a jealousy of great landholders, but it is mainly, I apprehend, attributable to a sense of the inconvenience and damage which are experienced in young countries, when considerable tracts of land are kept out of the Market in the midst of districts that are in course of settlement. To this feeling much of the hostility to the Clergy Reserves was originally due. The upset price of Government Wild Land in Canada varies from 7s. 6d. currency to 1s currency an acre, according to quality, and by the rules of the Crown Land Department now in force, it is conceded at these rates, except in special cases, in lots of not more than 200 acres, on condition of actual settlement, of erecting a dwelling house and clearing one fourth of the lot before the Patent can be obtained. The price is payable in some parts of the Country in ten yearly instalments; in others in five, with interest in both cases from the date of sale.

I have little faith in the efficacy of such devices to compel actual settlement. They hinder the free circulation of Capital, are easily evaded, and seem to be especially out of place where wild lands are subject to taxation for Municipal purposes, as is the case in Upper Canada.

16. I annex a statement of the quantity of Public Land sold in Canada, in each year, from 1847 to 1853, both inclusive.

STATEMENT of acres of Crown Land, sold in Canada, East and West :

Year.	Acres.	Total value.
1847.....	62,881	
1848.....	34,838	
1849.....	25,444	
1850.....	164,307	
1851.....	197,855	
1852.....	68,210	
1853.....	256,059	
Total...	809,594	£203,172 1s 2d

STATEMENT of Clergy Lands in Upper Canada sold under 3 & 4 Vict. ch. 78.

Year.	Acres.	Total value.
1847.....	196,568	
1848.....	81,373	
1849.....	70,726	
1850.....	93,245	
1851.....	91,706	
1852.....	94,942	
1853.....	150,809	
Total...	779,369	£370,322 17s 1d

STATEMENT of Clergy Lands in Lower Canada sold under 3 & 4
Vict. ch. 78.

Year.	Acres.	Total value.
1847.....	22,421	
1848.....	5,441	
1849.....	4,165	
1850.....	8,064	
1851.....	11,175	
1852.....	10,363	
1853.....	14,983	
Total...	76,612	£18,630 13s 9d

STATEMENT of Grammar School Lands sold under 4 & 5 Vict.
ch. 19.

Year.	Acres.	Total value.
1847.....	6,702	
1848.....	5,067	
1849.....	5,785	
1850.....	6,881	
1851.....	4,137	
1852.....	6,649	
1853.....	3,522	
Total...	38,743	£21,447 6s 9d

STATEMENT of Common School Lands sold under 12 Vict. ch.
100.

Year.	Acres.	Total value.
1851.....	52,964	
1852.....	59,079	
1853.....	177,483	
Total...	289,526	£124,220 2s 9d

17. A good deal of land in Lower Canada is held in Seignior, under a species of Feudal Tenure, with respect to the conditions of which a controversy has arisen which threatens, unless some equitable mode of adjusting it be speedily devised, to be productive of very serious consequences. A certain class of Jurists contend that by the custom of the Country established before its conquest by Great Britain, the Seigniors were bound to concede their lands in lots of about 100 acres to the first applicant, in consideration of the payment of certain dues, and of a rent which never, as they allege, exceeded one penny an acre, and they quote Edicts of the French Monarchs to show that the Governor and Intendent, when the Seignior was contumacious, could seize the land, and make the concession in spite of him, taking the rent for the Crown. The Seigniors, on the other hand, plead the decisions of the Courts since the conquest in vindication of their claim to receive such rents as they can bargain for. Independently of this controversy, the incidents of the tenure are in other respects calculated to exercise an unfavorable influence on the progress of the Province, and its abolition, if it could be effected without injustice, would, no doubt, be a highly beneficial measure.

18. According to the Returns prepared for purposes of taxation, the total amount of the assessed value of real and personal property in Upper Canada is stated for the year 1853 at £35,455,980 10s. 6d. and the total indebtedness of the Municipal Corporations as follows:

Amount secured by Debentures.....	£886,077	10	8
Amount unsecured.....	97,667	13	5
Stock held by Municipal Corporations..	546,218	12	7

The Returns, however, on which these latter Estimates are based, are defective, and no great reliance can be placed on the results arrived at.

19. In 1847, the only Railway in the Province was a line 22 miles in length, running from a point on the St. Lawrence opposite Montreal, to the frontier town of St. John, and so hopeless did the prospects of the Province in this respect appear to be, at even a later period, that the following paragraph occurs in a very carefully prepared document signed by

several intelligent Merchants, and put forth at the close of 1849 with the view of promoting the annexation of Canada to the United States. "While the adjoining States are covered with "a net work of thriving Railways, Canada possesses but three "lines, which together scarcely exceed 50 miles in length, and "the stock in two of which is held at a depreciation of from "60 to 80 per cent,—a fatal symptom of the torpor overspread- "ing the land."

20. The table given below exhibits the Canadian Railways now open or in progress of construction, and the Capital expended on them up to the present time. During the past summer at least 20,000 men have been engaged upon Railway Works, and although that number is considerably diminished at present, active operations are still going on in every part of the Province. Simultaneously with these works, others of much importance, and giving employment to large bodies of men, are in progress. An unwonted number of Public Buildings, Stores, Mills, Factories and Dwelling Houses has been erected during the last year, in all parts of the Province, and these causes combined have exercised an important influence in increasing the money value of labor.

T A B L E .

NAME.	Total length. — Miles.	Length completed. — Miles	Capital already expended.	
			£	s. d.
Great Western.....	280	240	2,800,000	0 0
Buffalo, Brantford and Goderich	160	60	500,000	0 0
London and Port Stanley....	36	...	70,000	0 0
Erie and Ontario.....	17	17	85,000	0 0
Ontario, Simcoe and Huron...	92	63	750,000	0 0
Grand Trunk(*)	950	226	4,600,000	0 0
Port Hope and Lindsay.....	45	...	80,000	0 0
Cobourg and Peterborough...	28	28	145,000	0 0
Brockville and Ottawa.....	120	...	70,000	0 0
Prescott and Bytown.....	55	55	320,000	0 0
Montreal and Bytown.....	110	14	85,000	0 0
Montreal and New York.....	38	38	205,000	0 0
St. Lawrence and Champlain.	49	49	320,000	0 0
Totals.....	1980	790	10,030,000	0 0

(*) Exclusive of 162 Miles between Portland and the Canadian Boundary, leased for 999 Years.

The traffic on these lines is developing itself in a very remarkable manner. Most of those which came into operation in 1853, have nearly doubled their weekly receipts in a period of 12 months, and those which have only been opened since the commencement of the present year, exhibit results which promise to be no less satisfactory.

21. In the Scheme of the Grand Trunk Railway is included the Victoria Bridge which crosses the St. Lawrence at Montreal. At the point of crossing, the river is nearly two miles in width, but by means of Embankments the actual length of the Bridge will be reduced to 8000 feet. It will be formed of Iron tubes 16 feet wide, and about 20 feet high, supported by 25 piers and 2 abutments. The piers nearest the abutments will be 36 feet above the summer level of the River, and rise gradually till they attain at the centre of the Bridge an elevation of 60 feet. The centre piers will be 330 feet apart, and the others 240. It is calculated that the weight of Iron in the tubes will be 10,400 tons, and of Masonry in the piers and abutments 205,000. This stupendous work has been already commenced in good earnest. The northern embankment is far advanced, the abutment attached to it raised to the winter level of the St. Lawrence, (17 feet above the summer level) the pier nearest to the embankment is completed, and considerable progress has been made with the next. A special interest attaches to it, because of the phenomena which attend the packing of the ice on the River St. Lawrence, and the pressure to which any obstacle to its progress seems to be exposed. Mr. Stephenson has, however, satisfied himself that the pressure is an appreciable quantity, and that the structures which are to be raised in the River will be sufficient to resist it.

22. In 1849 the system of making grants from the public treasury for local works, which had been during the earlier history of these Colonies, a fertile source of waste and jobbing, was finally discontinued. Previously to that period, it had been too much the habit to expend the surplus revenues of the Province on minor works of this class, and to invoke Imperial aid, either in the shape of Guarantees, or in some other form, for the execution of undertakings of a more comprehensive and national character. Since the resolution to which I refer was adopted,

the resources and credit of the Municipalities have been so much augmented by the general improvement of the Country, and by judicious legislation, that local works have been prosecuted with more vigor, as well as with greater discretion and economy than before, while the Provincial Funds have been left free for more legitimate purposes. In my despatch which accompanied the Blue Book for 1851, I dwelt at some length on the results of this change of system, and I advert to it now in passing, because I believe that it has materially contributed to the recent industrial progress of the Province.

23. The following Statistics of the Montreal Telegraph Company illustrate the increased activity and extension which has been imparted to the trade of the Province, during the past few years. This line of Telegraph was first worked between Montreal and Toronto in the month of August 1847, and in the autumn of the same year it was extended to Quebec. The length of the main line and branches is now fully 1500 miles, with 66 Offices for public business, besides Stations opened for Railway purposes. It is connected at the Falls of Niagara with lines extended to Buffalo, Cleveland, Cincinnati, St. Louis, and New Orleans; and at Portland with others extending to St. Johns New-Brunswick, Halifax, Nova-Scotia, Boston and New-York. The rates of charge have been reduced about 50 per cent below what they were in 1847. In 1848 the Messages transmitted over the wires amounted, it is believed, (though no very accurate record of the number was kept at the time) to about 60,000. They rose in 1852 to 161,878 and in 1853 to 242,876, exclusively of reports furnished to the public papers, which amount daily to from half a column to two columns of printed newspaper matter.

24. I append a tabular statement shewing the annual comparative condition of the Post Office Department from 1851 inclusive :

Date.	No. of Post Offices.	Miles of Post Routes.	Miles of annual mail travel.	No. of letters in previous week.
6 April, 1851.....	601	7,595	2,487,000	41,000
5 April, 1852.....	840	8,618	2,931,373	71,726
31 March, 1853.....	1,016	9,122	3,430,474	81,896
Do 1854.....	1,166	10,027	4,015,816	98,350

The receipts from the Post Office in the year ending 31st March, 1854, were £80,955 1 4, being £12,685 above the receipts of the previous year, and the disbursements £88,748 7 0, including £14,379 10 1 of British Packet postage—shewing a deficit on the year's operations of £7,793 5 8.

25. I extract from a general statistical abstract compiled from returns in the Educational Department for Upper Canada, some interesting details with respect to the comparative state of Education in Upper Canada in the years from 1847 to 1853, inclusive. In the former of these years the Normal School, which may be considered the foundation of the system, was instituted, and at the close of the latter, the first volume issued from the Educational Department to the public School libraries which are its crown and completion. If it may be affirmed of Reciprocity with the United States, that it introduces a new era in the Commercial History of the Province, so may it, I think, be said of the latter measure, that it introduces a new era in its educational and intellectual history. The subject is so important, that I must beg leave to say a few words upon it before proceeding to other matters. In order to prevent misapprehension, however, I may observe that the term school libraries does not imply that the libraries in question are specially designed for the benefit of common School pupils. They are in point of fact public libraries intended for the use of the general population; and they are entitled School libraries because their establishment has been provided for in the School Acts, and their management confided to the School authorities.

26. Public School Libraries then, similar to those which are now being introduced into Canada, have been in operation for several years in some States of the neighboring union, and many of the most valuable features of the Canadian system have been borrowed from them. In most of the States however, which have appropriated funds for library purposes, the selection of the books has been left to the Trustees appointed by the different districts, many of whom are ill qualified for the task, and the consequence has been, that the travelling pedlars who offer the most showy books at the lowest prices, have had the principal share in furnishing the libraries. In introducing the

system into Canada, precautions have been taken which will, I trust, have the effect of obviating this great evil.

27. In the School Act of 1850, which first set apart a sum of money for the establishment and support of School Libraries, it is declared to be the duty of the Chief Superintendent of Education to apportion the sum granted for this purpose by the Legislature under the following condition: "That no aid should be given towards the establishment and support of any School Library unless an equal amount be contributed or expended from local sources for the same," and the Council of Instruction is required to examine, and at its discretion, recommend or disapprove of Text Books for the use of Schools or Books for School Libraries; "Provided that no portion of the Legislative School Grant shall be applied in aid of any School in which any book is used that has been disapproved of by the Council, and public notice given of such disapproval."

28. The Council of Public Instruction in the discharge of the responsibility thus imposed upon it, has adopted, among the general regulations for the establishment and management of Public School Libraries in Upper Canada, the following rule: "In order to prevent the introduction of improper books into the Libraries, it is required that no books shall be admitted in any Public School Library established under these regulations, which is not included in the catalogue of Public School Library books prepared according to law," and the principles by which it has been guided in performing the task of selecting books for these Libraries, are stated in the following extract from the Minutes of its proceedings:

1. "The Council regards it as imperative that no work of a licentious, vicious or immoral tendency, and no works hostile to the Christian Religion, should be admitted into the Libraries."

2. "Nor is it in the opinion of the Council compatible with the objects of the Public School Libraries to introduce into them controversial works on theology, or works of denominational controversy; although it would not be desirable to exclude all historical and other works in which such topics are referred to and discussed, and it is desirable to include a selection of suitable works on the evidences of natural and revealed religion."

3. "In regard to works on ecclesiastical history, the Council agree on a selection of the most approved works on each side."

4. "With these exceptions and within these limitations, it is the opinion of the Council that as wide a selection as possible should be made of useful and entertaining books of permanent value, adapted to popular reading in the various departments of human knowledge, leaving each Municipality to consult its own taste, and exercise its own discretion in selecting books from the general catalogue."

5. "The including of any books in the general catalogue is not to be understood as the expression of any opinion by the Council in regard to any sentiments inculcated or combated in such books, but merely as an acquiescence on the part of the Council in the purchase of such books by any Municipality, should it think proper to do so."

6. "The general catalogue of Books for public school libraries may be modified and enlarged from year to year as circumstances may suggest, and as suitable new works of value may appear."

29. The Catalogue above referred to, and of which I enclose a copy, affords ample proof of the intelligence and liberal spirit in which the principles above stated have been carried out by the Council of Public Instruction. The Chief Superintendent observes that in the case of the libraries established up to the present time, the local authorities have in a large number of instances assigned the task of selecting books to the Chief Superintendent—that in some they have by a committee of one or more of themselves chosen all the books desired by them, and that in others they have selected them to the amount of their own appropriation, requesting the Chief Superintendent to choose the remainder to the amount of the apportionment of the library grant. The Chief Superintendent recommends the last as the preferable mode. The total number of volumes issued from the Educational Department to Public libraries in Upper Canada from November 1853, when the issue commenced, to the end of August last, was 62,866.

30. The system of public instruction in Upper Canada is engrafted upon the Municipal Institutions of the Province, to which an organization very complete in its details, and admirably adapted to develop the resources, confirm the credit, and

promote the moral and social interests of a young Country, was imparted by an Act passed in 1849. The law by which the Common Schools are regulated was enacted in 1850, and it embraces all the modifications and improvements suggested by experience in the provisions of the several School Acts passed subsequently to 1841, when the important principle of granting money to each County on condition that an equal amount were raised within it by local assessment, was first introduced into the statute book.

31. The development of individual self reliance and local exertion, under the superintendence of a central authority exercising an influence almost exclusively moral, is the ruling principle of the system. Accordingly, it rests with the freeholders and householders of each school section to decide whether they will support their school by voluntary subscription, by rate bill for each pupil attending the school, (which must not, however, exceed 1s. per month,) or by rates on property. The trustees elected by the same freeholders and householders are required to determine the amount to be raised within their respective school sections, for all school purposes whatsoever, to hire teachers from among persons holding legal certificates of qualification, and to agree with them as to salary. On the Local Superintendents appointed by the County Councils, is devolved the duty of apportioning the Legislative grant among the School Sections within the County, of inspecting the Schools, and reporting upon them to the Chief Superintendent. The County Boards of public Instruction composed of the Local Superintendent or Superintendents, and the Trustees of the County Grammar School, examine Candidates for the Office of Teacher, and give certificates of qualification which are valid for the County; the Chief Superintendent giving certificates to Normal School Pupils which are valid for the Province. While the Chief Superintendent, who holds his appointment from the Crown, aided in specified cases by the Council of Public Instruction, has under his especial charge the Normal and Model Schools, besides exercising a general control over the whole system; duties most efficiently performed by the able head of the Department, Dr. Ryerson, to whom the Inhabitants of Upper Canada are mainly indebted for the system of public

Instruction which is now in such successful operation among them.

32. The Question of Religious Instruction as connected with the Common School System, presented even more than ordinary difficulty in a community where there is so much diversity of opinion on religious subjects, and where all denominations are in the eye of the law on a footing of entire equality. It is laid down as a fundamental principle that as the Common Schools are not boarding, but Day Schools, and as the Pupils are under the care of their parents or guardians during the Sunday, and a considerable portion of each week day, it is not intended that the functions of the Common School Teacher should supersede those of the parent and pastor of the child. Accordingly, the law contents itself with providing on this head "That in any "Model or Common School established under this Act, no "child shall be required to read or study in or from any Religious Book, or to join in any exercise of devotion or religion, "which shall be objected to by his or her parents or guardians; "Provided always, that within this limitation pupils shall be "allowed to receive such religious instruction as their parents "or guardians shall desire, according to the general regulations "which shall be provided according to law." And it authorizes under certain regulations the establishment of a separate School for Protestants or Roman Catholics, as the case may be, when the Teacher of the Common School is of the opposite persuasion.

33. The Council of Public Instruction urges the inculcation of the principles of Religion and Morality upon all the pupils in the school, and prescribes the following regulation upon the subject: "The public religious exercises of each school shall "be a matter of mutual voluntary arrangement between the "trustees and the teacher, and it shall be a matter of mutual "voluntary arrangement between the teacher and the parent "and guardian of each pupil, as to whether he shall hear such "pupil recite from the scriptures or catechism, or other summary of religious doctrine and duty of the persuasion of such "parent or guardian. Such recitations, however, are not to "interfere with the regular exercises of the school."

34. As a further security that these principles will be adhered to, Clergymen recognized by law of whatever denomination,

are made *ex officio* visitors of the schools in townships, cities, towns or villages, where they reside, or have pastoral charge. And the Chief Superintendent remarks on this head :

“ The Clergy of the county have access to each of its schools ; and we know of no instance in which the school has been made the place of religious discord, but many instances, especially on occasions of quarterly public examinations, in which the school has witnessed the assemblage and friendly intercourse of clergy of various religious persuasions, and thus become the radiating centre of a spirit of christian charity and potent co-operation in the primary work of a people’s civilization and happiness.”

He adds, with reference to the subject generally, “ The more carefully the question of religion in connection with a system of Common Schools is examined, the more clearly I think it will appear that it has been left where it properly belongs—with the Local School Municipalities, parents, and managers of schools—The Government protecting the right of each parent and child, but beyond this, and beyond the principles and duties of morality common to all classes, neither compelling nor prohibiting—recognizing the duties of pastors and parents as well as of School Trustees and Teachers, and considering the united labours of all as constituting the system of education for the youth of the country.”

35. The pupils attending the Normal School are necessarily brought from their homes to Toronto where that institution is situated, and consequently withdrawn from the care of their natural protectors. In accordance with the principles above laid down, the School authorities consider themselves therefore bound to exercise in their case a closer surveillance over their religious and moral training. The following are among the rules prescribed by the Council of Public Instruction for the Normal School :

“ The Teachers in training shall board and lodge in the city, in such houses and under such regulations as are approved of by the Council of Public Instruction.”

“ Each Teacher in training is required every Friday afternoon, from 3 to 4 o’clock, punctually to attend the classes for separate religious instruction by the Clergyman of the religi-

“ous persuasion to which he or she respectively belongs. Any students absenting themselves from such exercises, will be required to forward a written explanation of such absence.”

“The Teachers in training are expected to lead orderly and regular lives, to be in their respective lodgings every night before half past nine, P.M., and to attend their respective places of worship with strict regularity. Any improprieties of conduct will be brought under the special notice of the Chief Superintendent of Schools.”

I visited the Normal School in the course of a tour which I recently made through the western section of the Province, and the address presented to me on that occasion by the Council of Public Instruction contains information of so much interest, that I venture to append an extract from it.

“After an interval of three years, we, the Members of the Council of Public Instruction for Upper Canada have great pleasure in again meeting Your Excellency.”

“We cordially welcome Your Excellency on this your first visit to an institution, the erection of which was commenced under your Excellency’s auspices.”

“On the occasion of the interesting ceremony performed by your Excellency in laying the chief corner stone of the Edifice in which we are now assembled, we adverted to the noble and patriotic objects contemplated by the Legislature on its establishment. Those objects have been kept steadily and anxiously in view, and we have now much satisfaction in presenting your Excellency with some statistics of the results.”

“Since the establishment of the Normal School in the Autumn of 1847, fourteen hundred and fifty six candidates for admission have presented themselves, of whom, twelve hundred and sixty-four, after due examination, have been received; of these, about one hundred and fifty have been carefully trained each year, and sent to different parts of Western Canada. That they have been eminently successful in teaching the youth of the Country and elevating the character of our Common Schools, we have been repeatedly assured, and the great and encreasing demand for trained teachers stimulates us to further exertions to increase the number of these meritorious and valuable public servants.”

“The liberality of the Legislature in recently providing a fund of £500 per annum towards the relief of superannuated or worn out Teachers, the Council cannot but believe will prove a strong ground of encouragement to many to enter a profession hitherto but ill-requited, while it cannot fail to provoke increased zeal and exertions on the part of those already engaged therein.”

“It will be gratifying to Your Excellency to learn that the system of establishing free public libraries throughout Upper Canada, has been put into successful operation during 1853 and 1854. Since December of last year, nearly 75,000 volumes of Books, embracing the more important Departments of human Knowledge, have been circulated through the agency of the Township Municipalities and School Corporations, from which the Council anticipate the most salutary results.”

“As an illustration of the cordial cooperation of the people in promoting the system of public Education established by the Legislature, we are rejoiced to add that the very large sum of *half a million* of dollars was last year raised by their free action to promote this object, exclusive of legislative aid.”

“These facts we are assured will be no less gratifying to Your Excellency than they are cheering to ourselves, and worthy of the people of Upper Canada, and we hope that, in the course of a few years, when the Grammar Schools have been effectually incorporated with our educational system, the general results of our operations will not be less satisfactory.”

36. The census of 1851 gives the following summary of the condition of the population of Upper Canada as respects religious belief:

Church of England.....	223,190
Church of Scotland.....	57,542
Church of Rome.....	167,695
Free Church—Presbyterians.....	65,807
Other Presbyterians.....	80,799
Wesleyan Methodists.....	96,640
Episcopal Methodists.....	43,884
New Connexion Methodists.....	7,547
Other Methodists.....	59,585
Baptists.....	45,353
Lutherans.....	12,089

Congregationalists	7,747
Quakers	7,460
Bible Christians	5,726
Christians	3,093
Second Adventists	663
Protestants	1,733
Disciples	2,064
Jews	103
Menonists and Tunkers	8,230
Universalists	2,684
Unitarians	834
Mormons	247
Not known	6,744
No creed given	35,750
Other creeds not classed	7,805

Total Population..... 952,004

The total number of Teachers employed in the Common Schools in Upper Canada in 1852 is stated at 3,258,—Male, 2,451 ; Female, 807,—and their religious faith is given as below :

Church of England	700
Roman Catholics	358
Presbyterians	865
Methodists	893
Baptists	196
Congregationalists	63
Lutherans	9
Quakers	45
Christians and Disciples	25
Reported " Protestants "	36
Universalists and Unitarians	23
Other Persuasions	12
Not Reported	28

The total number of Common Schools reported for that year was 2,914, and of Separate Schools, 18,—of which three were Protestant, and two, Colored Schools.

37. On a comparison of the educational condition of Upper Canada in the years 1847 and 1853, the following results are arrived at:

Population between the ages of 5 and 16 :

1847.....	230,975
1853.....	268,957

Total Common Schools :

1847.....	2,727
1853.....	3,127

Total Pupils attending Do. :

1847	124,829
1853	194,736

Total Students and Pupils attending Universities, Colleges, Academies, Grammar, Private and Common Schools :

1847.....	131,360
1853.....	203,896

Total amount available for Common School Teachers Salaries :

1847.....	£ 63,780 0 0
1853.....	106,881 7 5

Total amount available for Teachers' Salaries, School Houses, Libraries, Apparatus :

1847.....	No report.
1853.....	£132,630 16 5

Average number of months each School has been kept open by a qualified teacher :

1847.....	8½ Months
1853.....	10 Months.

These figures do not however adequately represent the progress which the Common School system has been making, for it has been the policy of the Department rather to encourage the enlargement of the boundaries of existing school sections, than to multiply new ones, and throughout the whole period a very material rise in the standard of qualification of common school teachers has been taking place through the instrumentality of the normal and model schools. Free schools also, as distinguished from schools in part supported by rates levied on the pupils, are rapidly encreasing. No separate return of this particular description of schools was made before 1850. In that year 252 were reported, in 1853 the number had risen to

1,052. Adverting to these and other facts of a like nature, the Chief Superintendent of Schools for Upper Canada in closing his report for last year which has just been laid before Parliament and is not yet in print, thus summarily sketches the result of the educational proceedings of the few past years. "It must ever be a source of satisfaction to Your Excellency that during the period of Your Administration of the Government of Canada, the laws under which our whole school system is now organized have been passed, that our Normal and Model Schools have been established and rendered extensively useful, that the encrease of pupils in our schools, the sums voluntarily provided by the people for their support, the improvements in the modes of conducting them, in the houses erected for them, as well as their conveniences and furniture, have advanced beyond all precedent, that a general system of Public School Libraries has been brought into successful operation, and that every feeling of the people is onward in Education and Knowledge as well as in Railroads, Manufactures, Commerce and Agriculture."

38. An encrease in the legislative provision for School libraries is about to be proposed in the present session, and a sum is to be specially appropriated for the establishment of a Model Grammar School in connection with the Normal School at Toronto. The Grammar Schools hold an intermediate place between the University and other Collegiate Institutions of the Province, and the Common Schools. The Model Grammar School will raise the standard of the instruction afforded by them, and impart to it a certain uniformity of Character. When this object shall have been effected, it will hardly be too much to affirm, that educational facilities, unsurpassed by those provided in any part of the World, will have been placed within the reach of the youth of Upper Canada of all classes.

39. The position of the Lower Province in respect of Education is not so satisfactory. Neither Normal Schools nor public School libraries have yet been established in that section of the Country, although some preliminary steps have been taken towards the introduction of both. The Commissioners of Schools are still in too many instances uneducated, and the teachers indifferently qualified for their office; and there are

parishes where, under one pretence or another, the local contribution for the support of Schools is not levied. It is but fair to say that in some districts of Lower Canada far removed from the towns and where the winters are very long and inclement, there is a good deal of poverty among the inhabitants. Nevertheless, progress has been made of late years, and there are indications of further improvement. Soon after the introduction of Common Schools into Lower Canada, it was deemed necessary, partly because of the imperfect operation of the municipal system, and partly because of the unwillingness of the inhabitants to take such burthens voluntarily upon themselves, to make the school tax compulsory, instead of leaving it, as in Upper Canada, optional with the municipalities to tax themselves, subject to the condition that no school section should receive its share of the Legislative grant which did not raise an equal amount from local sources. During the earlier years of my administration, acts of violence were from time to time committed by the opponents of the obnoxious impost. This species of resistance to the law has now ceased, and there appears to be among the population generally, a disposition to acquiesce in its provisions. The total number of Educational Institutions in Lower Canada, has increased from 1727 in 1847, to 2352 in 1853, and the pupils from 68,133, in the former, to 108,284, in the latter year. This last number includes 3524 girls educated at 53 superior girls schools, and 2786 educated at 44 convents, 4923 pupils attending 83 independent schools, 1169 attending 19 preparatory classical schools, and 2110 students at 14 Roman Catholic Colleges. The terms of these last mentioned institutions, for what purports to be an education of a higher order, are exceedingly moderate. The whole charge for a student, board and lodging included, being from £14 to £18 a year. They are able to afford education at this very low rate, partly because they are in general to some extent endowed, and partly because their professors, being ecclesiastics, receive no remuneration beyond food and clothing for their services.

40. It is painful to turn from reviewing the progress of the European population and their descendants established in this portion of America, to contemplate the condition and prospects of the Aboriginal Tribes. It cannot, I fear, be affirmed with

truth, that the difficult problem of reconciling the interests of an inferior and native race with those of an intrusive and superior one, has as yet been satisfactorily solved on this Continent. In the United States, the course of proceeding generally followed in this matter has been that of compelling the Red-man, through the influence of persuasion or force, to make way for the White, by retreating further and further into the Wilderness: A mode of dealing with the case which necessarily entails the occasional adoption of harsh measures, and which ceases to be practicable when civilization approaches the limits of the territory to be occupied. In Canada, the Tribes have been permitted to dwell among the scenes of their early associations and traditions, on lands reserved from the advancing tide of White Settlement, and set apart for their use. But this system, though more lenient in its operation than the other, is not unattended with difficulties of its own. The laws enacted for their protection, and in the absence of which they fall an easy prey to the more unscrupulous among their energetic neighbors, tend to keep them in a condition of perpetual pupillage, and the relation subsisting between them and the Government, which treats them, partly as independent peoples, and partly as infants under its guardianship, involves many anomalies and contradictions. Unless there be some reasonable ground for the hope that they will be eventually absorbed in the general population of the Country, the Canadian System is probably destined in the long run to prove as disastrous to them as that of the United States. In 1846 and 1847, the attempt was first made to establish among them Industrial Boarding Schools, in part supported by contributions from their own funds. If Schools of this description be properly conducted, it may, I think, be expected, that among the youth trained at them, a certain proportion at least will be so far civilized, as to be capable of making their way in life without exceptional privileges or restraints. It would be, I am inclined to believe, expedient that any Indian shewing this capacity, should be permitted, after sufficient trial, to receive from the Common Property of the Tribe of which he was a member (on the understanding of course that neither he nor his descendants had thenceforward any claim upon it), a sum equivalent to his interest in it, as a means to enable him to start in independent

life. The process of transition from their present semi-barbarous condition could hardly fail to be promoted by a scheme of this description if it were judiciously carried out. Meanwhile, some questions arising out of Indian claims on certain portions of the Canadian Territory towards which the tide of population is advancing, which promised at one time to occasion considerable embarrassment, have been within the last few years satisfactorily settled. In 1850, the Mining Districts on the North Shore of Lakes Huron and Superior were surrendered to the Crown for an annuity by the Tribes supposed to have an interest in them; and an arrangement has been recently effected through the exertions of Mr. Oliphant, the present Superintendent General of Indian Affairs, by which the Saugeen Peninsula, an Indian Reserve of great extent and value, situated in the very heart of Upper Canada, will be brought at once into the Market, with much advantage both to the Indians and to the Community at large.

41. In 1850, the Canadian Legislature passed an Act granting an annuity of £821 18s. 6d. to the Lower Canadian Tribes which had been up to that period without either lands or funds of their own, and setting apart some 230,000 acres for their benefit. The financial position of the Indians has been so far improved by these and other measures, that Her Majesty's Government has felt that the time has arrived at which it may be justifiable to take decisive steps towards the extinction of the charge on their account, which has been for many years borne by the British Treasury. The annual presents which formed the heaviest item of charge, have already been greatly reduced in amount, and will shortly be altogether discontinued, and it is probable that it will be practicable at no very distant period to effect a transfer of the remaining expenses of the Department from Imperial to Indian or Provincial Funds. I append a statement shewing the present population of the several Indian Tribes in Canada, the amount of their funds, and the charges now borne upon them. The amounts stated in the following schedule are currency; all other sums named in this Report are in sterling money.

42. It may not be altogether unprofitable at the present time to look somewhat more narrowly into these returns, with the view of ascertaining whether any facts can be gleaned from them, that may serve to illustrate the bearing which the Treaty relative to Fisheries and to Commerce and Navigation recently concluded between Her Majesty and the United States, is likely to have on the interests of these Provinces.

43. The main concessions made by the Provinces to the United States by the treaty in question, are comprised under the three following heads: Firstly, the removal of duties on the introduction to consumption in the Provinces of certain articles the produce of the United States: Secondly, the admission of citizens of that country to the enjoyment of the inshore sea-fishery; and thirdly, the opening up of the St. Lawrence and Canals pertaining thereto, to their vessels.

44. As regards the first of these concessions, it appears from the statement herewith submitted, that the whole amount of revenue yielded to Canada in 1853, by the articles in question, was £22,823 5s. I have not, I regret to say, access to any returns to show the precise amount of the sacrifice which the other Provinces will have to make under this head. I apprehend however, that, except in the case of Newfoundland, where some special arrangement may be necessary, it will not, in the flourishing state of their Revenues, and with the prospects of increasing trade which the treaty opens up, be attended with inconvenience to any of them.

45. A good deal of misconception prevails as to the amount of the concession made under the second head. The popular impression on this point is, that a gigantic monopoly of a most valuable description is about to be surrendered; but this view of the case is by no means borne out when the matter is more closely examined. The citizens of the United States have already under the Convention of 1818 access to the most important Cod-fisheries on the British coasts. The treaty of the present year maintains in favor of British subjects the monopoly of the river and fresh water fisheries, and the concession which it makes to citizens of the United States, amounts in substance to this—that it admits them to a legal participation in the Mackerel and Herring fisheries, from illegal encroachments on

SCHEDULE.

UPPER CANADA 1854.

The following Sums are in Currency at the rate of £1 4s. 4d. to the £1 Sterling.

TRIBE.	Population.	Annuity.	Commotation Money 1854.	Investments.	Annual Interest.	Salaries and School Subscription.	REMARKS.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
Six Nations.....	2,406	None.	886 12 5	88,610 0 0	7,138 16 2	1,085 0 0	{ 600 Town Lots and about 14,000 acres farm land yet to sell, besides 50,000 acres reserved for their use.
Mississajias of Credit.....	202	522 10 0	109 9 11	5,850 0 0	351 0 0	230 12 6	Considerable sums due on land sales; but little land remains unsold.
Chippewas of St. Clair and Walpole Island.....	1,291	1,100 0 0	628 5 8	2,900 0 0	174 0 0	407 10 3	About £8,700 due on Sales; small quantity of land remains unsold.
Chippewas of Thames.....	595	600 0 0	299 10 9	2,700 0 0	160 10 0	212 10 0	About £1,500 due on Sales; do. do. do.
Moravians of the Thames.....	154	160 0 0	77 10 7	None.	None.	75 0 0	Have some valuable land held by Moravian Society.
Wyandotes of Anderton.....	126	None.	65 13 0	3,223 6 8	192 16 0	50 0 0	About £5,000 due on land Sales; very small quantity of land remaining.
Mohawks of Bay of Quinte.....	374	450 0 0	178 4 10	7,573 6 8	456 9 7	129 12 0	A considerable sum due on land Sales; approximate amount not ascertained.
Saugeen and Owen's Sound.....	343	1,250 0 0	170 13 9	500 0 0	30 0 0	547 10 0	Have recently surrendered a tract of about 450,000 acres.
Chippewas Lakes Huron and Simcoe.....	383	1,200 0 0	188 1 2	2,850 0 0	167 0 0	532 5 0	A small balance due on Sales; not much land remaining excepting Islands.
Mississajias of Alnwick.....	142	642 0 0	71 19 5	3,655 0 0	213 10 0	227 2 6	Do. do. do.
Do. of Rice and Mud Lakes.....	210	740 0 0	108 0 2	None.	None.	247 10 0	No land fund—and but little land.
Manitoulin Island.....	1,875						
Lake Superior.....	1,240	500 0 0					
Lake Huron.....	1,422	600 0 0					
	10,763	7,754 10 0	2,775 1 8	118,261 13 4	8,884 11 9	3,744 12 3	
LOWER CANADA 1854.							
Hurons at La Jeune Lorette.....	167						Set apart for their use, 9,600 acres of the grant of 230,000 made by the Province.
Amalictes, Micmacs and Abenakis at Isle-Verte } and Poste on the St. Lawrence..... }	133					3,650	do. do. do.
Abenakis of Beccanour.....	77					2,900	do. do. do.
Algonquins near Three Rivers.....	63					{ * 14,000	do. do. do.
Tête de Boule at Wornantashingue, River St. Maurice..	86					16,000	do. do. do.
Iroquois at Caughnawaga.....	921			260 0 0	15 12 0		
Do. at Regis.....	493			6,500 0 0	390 0 0		
Algonquins of River Desert, on the Ottawa.....	85					38,400	do. do. do.
Abenakis of St. Francis.....	310					* Included in the above 14,000.	
Nipissings of Lake of Two Mountains.....	265						
Algonquins of do.....	282					{ 45,750	do. do. do.
Iroquois of do.....	326						
	3,213						
Micmacs of Restigouche.....						9,600	do. do. do.
Nomadic Tribes on the Saugeen, Lake St. Jean and North Shore } of St. Lawrence..... }						90,000	do. do. do.

£1,000 annually is granted by the Province for the benefit of these Tribes, besides £200 for Schools.

which it has been found, after the experience of many years, practically impossible to exclude them. It is moreover a circumstance not altogether unworthy of note, in determining the value of this concession, that from the ascertained habits of the mackerel, there would appear to be no great security for its continuing to frequent the coasts where it is now most abundant. "Mackerel," says Mr. Perley, in his valuable Report on the Sea and River Fisheries of New Brunswick, "were formerly abundant near the coast of Newfoundland, but none have been taken there since 1837. They were also plentiful formerly in the Bay of Fundy near Grand Manan, and the West Isles, where but few are now taken." And in a lecture on Newfoundland and its fisheries, delivered last year before the Mechanics' Institute at St. John's, Newfoundland, I find it stated: "In 1832 there were exported from Newfoundland 916 barrels of Mackerel. This fish, so valuable an article of commerce, as well as so great a luxury, has deserted our coasts for many years." The following extract from the Official Return of the Exports of Newfoundland bears out these statements:

CASKS OF MACKEREL

YEARS.	EXPORTED.
1832.....	916
1833.....	635
1836.....	149
1837.....	79
1838.....	None caught.
1839.....	4
1840.....	None caught.
1841.....	do.
1842.....	do.
1843.....	do.
1844.....	do.
1845.....	do.
1846.....	do.
1847.....	do.
1848.....	do.
1849.....	do.
1850.....	do.
1851.....	do.
1852.....	do.

At a still earlier period the coast of New England would seem to have been their favorite haunt.

46. The exports from Canada of 'products of the seas' for the 4 years from 1850 to 1853 both inclusive, averaged in value £53,075 6s. 3d.; an amount greatly exceeded, it may be observed in passing, by that of the imports into the Province of the same class of articles during the same period. The exports of Fish from New-Brunswick in those years, averaged in value £42,322 2s. 0d. I am unable to furnish similar information with respect to the exports from Nova Scotia, but I find that the census of that Province for 1851 values the total produce of the fisheries at something less than £200,000, and gives 9927 out of a population of 276,117, as the number of persons engaged in them. The exports of fish and oil from Prince Edward Island are inconsiderable, amounting in 1851 (the only year for which I have returns) to about £8,000 in value. As these amounts include produce of the deep sea fisheries, which are protected neither by the convention of 1818 nor by the treaty of 1854, and of the fresh water fisheries which are protected by both, as well as of the inshore sea fisheries which are thrown open by the one and protected by the other, some estimate may be formed from them of the real commercial value of the Monopoly which it has been sought to preserve at an enormous cost, and with the risk, always imminent, of hostile collision with the Citizens of that Country which both from contiguity, similarity of population, and commercial activity, is calculated, in the absence of obstructive legislation, to be the most valuable customer of the British North American Colonies. So long as the Americans are intruders on the fishing grounds, and debarred from landing on the shores of the Colonies for the purposes of their trade, it is impossible to prevent them from resorting to practices which are prejudicial to the fisheries, or to give effect to regulations for their preservation and extension. Under these circumstances, and looking to the increased energy which will be imparted to this branch of Colonial Industry by the co-operation of the United States fishermen, it may reasonably be hoped that the Provinces will reap from it directly and indirectly, greater profits, after the treaty comes into operation, than they have done during the preceding period of monopoly.

47. The opening up of the River St. Lawrence and Canals pertaining thereto, to vessels of the United States, which is the third concession made to that country by the treaty in question, affects Canada only ; and it is easy to discover from facts disclosed in the Returns herewith submitted, that the advantages which the Americans will derive from it, will not be acquired at any cost to the Province. In the general statement of the affairs of the Province, the St. Lawrence Canals are debited with £1,352,702 14s. 0d., and the Welland Canal with £1,361,368 16s. 5d., which sums respectively represent the amount sunk in their construction. The latter canal has been for several years free to vessels of the United States, while from the former they have been in a great measure excluded by being refused permission to pass from Montreal to Quebec ; and although no doubt there are other circumstances which contribute to the superior productiveness of the Welland Canal, it is a fact not altogether undeserving of notice, as illustrative of the tendency of the freer system, that the total tonnage of vessels of all kinds passing through the Welland Canal in 1853, was 1,072,248, against a tonnage of 620,399, passing through the St. Lawrence Canals ; The tons of merchandize transported on the former were 905,518, against 651,101 on the latter, and the Revenue from the former £53,452 16s. 9d., against £19,726 14s. 9d., from the latter.

It has been the practice, I am informed, for many years, to build ships of considerable tonnage on the Ohio, at points where timber is abundant, and to float them down to the Ocean for sale or export during the season at which the waters are high in the Western Rivers. It is probable that a similar branch of industry will be prosecuted on the shores of the great lakes, when a route to the sea by way of the St. Lawrence is open to American vessels.

48. Of a grand total of exports of Canadian produce and manufacture amounting in 1853, as appears from these returns to £4,890,678 14s. 3d. the exports to the United States are given at £2,205,706 17s. 4d. Some idea of the magnitude of the trade between Canada and the United States, and of the importance of the reciprocity clauses of the treaty as bearing on that trade, may be formed from these figures. It is no doubt true that a considerable portion of these exports

now passes through the United States in bond, but it may be presumed on the other hand, that large amounts of Canadian produce, which have been hitherto forced by the high American duties to seek other markets, will be entered for consumption in that country when these duties are removed. Some idea of the growth of the transit trade through the United States may be formed from the fact that the value of the merchandize transported in bond to Canada from Boston alone,—which was for the year ending the 31st December 1847, £4,461 19s. 9d.—amounted for the nine months ending the 30th of September 1854, to £977,805 4s. 1d. and the value of Canadian produce taken in bond to Boston was for the year ending the 31st December 1850, £12,906 5s. and for the first three quarters of 1854, £123,245 8s. 0d.

49. The natural products of Canada entering the markets of the United States may be classed under the two following heads : First, articles for which there is in the United States or in those parts of the United States at any rate, which adjoin the producing districts of Canada, a demand which is constant, though of varying intensity. The removal of high duties on the importation of this class of articles from Canada, will be obviously a great benefit to the Canadian exporter, by raising the exchange value of his produce, or withdrawing further from him the limit beyond which encrease of supply will oblige him to submit to reduction of price.

50. The other class of natural products of Canada, entering that market, consist of articles of which, on an average of years, there is produced in the United States an amount exceeding the internal consumption of that country, and with respect to which the United States are therefore habitually an exporting country. It is a somewhat more complicated problem in this case, than in the other, to determine the precise amount of benefit which the Canadian producer will derive from the removal of duties on the importation of his produce into the markets of the United States, and an intimate acquaintance with the movements of the trade is essential to its satisfactory solution.

51. It might for instance on general grounds, be surmised, that as the United States are in the habit of exporting wheat and flour to a market in which they meet the Canadian produ

cer on equal terms, the price of these articles in the home, must be determined by that of the Foreign Market, and that therefore, except in rare and exceptional cases, it can be of little consequence to the Canadian producer of wheat and flour, to be excluded by high duties from the markets of the United States. Experience does not, however, I apprehend, support this conclusion. Whether it be from the inconvenience which attends the bonding system, or the superior value which attaches to a commodity admissible to two markets, over another admissible only to one, the fact would seem to be that the price of Canadian wheat and flour, in proportion to intrinsic value, has been permanently lower than American, though not always by the full amount of the American duty, during the whole period which has elapsed since 1846, when the produce of the United States was placed in the British Market in a more favorable position than that occupied by Canadian produce in the American.

52. Circumstances of taste and quality affect this result in a very remarkable manner. When I reached New York in May last, I met one of the largest wheat growers in Canada, and he informed me that after making every enquiry, he had found it more profitable to pay the American duty on his wheat and bring it into the New York Market, than to export it in bond. At that time prices of grain still ruled very high in the British Market. It may be proper to observe that this gentleman grows wheat of a very fine quality, and there can be little doubt, that if the Reciprocity Treaty had been in operation, that portion of the price of his commodity which went into the Treasury of the United States, would have found its way into his own pocket.

53. It is moreover probable that besides the staple products of the Colonies such as Wheat, Coal, Fish and Timber,—articles which have not been hitherto exported to any great extent, some of them being of low value in proportion to bulk, will be introduced into the United States under this Treaty. In illustration of this point, I may mention, that I was lately informed by a person who expressed great anxiety to know whether stone was included in the free list, that he had ascertained that there was in the Bay of Fundy, a building stone superior in quality to any other on the coast, and that he calculated on being able to introduce 50,000 tons during the ensuing season into New York alone. The bearing of this feature of

the Treaty on the shipping and shipbuilding interests in the Colonies, calls for a passing remark, as exception has been taken to it in some quarters, on the plea that it does not provide for the opening up of the coasting trade of the United States, and for the admission of British Ships to American Registry.

54. I do not now stop to enquire whether or not these exceptions are justly taken. There is at least some plausibility in the rejoinder, that ships cannot, by any latitude of construction, be classed among the natural products of the Colonies, and that if the concessions in question be demanded from the United States as equivalents for similar concessions granted to that Country under the amended British Navigation Laws, the proper time for urging that claim would have been when those Laws were passing. As the objection to include in this particular Treaty the matters referred to, did not however, rest on any such technical grounds, but on the additional risk of its rejection by Congress which their introduction would have occasioned, it may be well to enquire whether or not their eventual attainment is likely to be facilitated by its adoption in its present shape.

55. Now it seems to be evident that the exclusion of Colonial built ships from the American coasting trade and registry, cannot in any way affect the ship building and ship owning interests in the Provinces, unless it have the effect of keeping the price of Colonial Vessels below that of the United States Vessels, and the rates of freight obtainable by the former below those obtainable by the latter. But if it should have this effect, it is obvious that all the trade between the United States and the Colonies will be carried on in Colonial Ships, and persons in the United States who produce bulky articles of the same description as those exported from the Colonies, such, for instances as Coal, Timber and Stone, will find that in supplying their own Cities on the sea board, they compete at a disadvantage with the Colonists in consequence of the enhanced expense of carriage entailed upon them by their protective system. It follows that the admission of these articles duty free into the American Markets from the Colonies, will have a strong tendency to swell the ranks of that already influential party in the United States, which contends that the rule of free competition is the wisest that a commercial people can adopt, and

that there is something absurd in propping up sea freights by legislation when every effort is being made, by the multiplication of Railways and Canals, to lower land freights. The following resolution submitted by Mr. Toombs of Georgia, in the Senate of the United States towards the close of the last Session of Congress, and adopted by unanimous consent, is evidence of the opinion on this point, which is gaining ground in many quarters :

“ Resolved—that the Committee on the Judiciary enquire
 “ into the existing laws concerning Navigation and the Coast-
 “ ing Trade, and report at the next Session by Bill or otherwise,
 “ whether any, and, if any, what changes in them may be ne-
 “ cessary to cheapen the transportation of commodities, and to
 “ promote the general interests of the country.”

56. A few words on the American bounties to fishing Vessels may not perhaps be inappropriate in this place, as the principle on which they are awarded is not very generally understood. They were first granted in 1789 as a commutation or drawback of the duty on Salt, in the shape of a bounty of Exportation, not on fish only, but on other salted provisions, including Beef and Pork. They have throughout retained their original character in this respect; for, although in 1792 an allowance on the tonnage of Vessels employed in the Bank and Cod fisheries, was substituted for the bounty on Exportation, when the duty on Salt was repealed in 1807, this allowance dropped with it, and it revived in 1813, when the duty on Salt was reimposed. By the law now in force, bounties can be legally granted only to vessels exclusively engaged in the Cod fishery, and on conditions with respect to manning, equipment, engagements between the masters and crew, and other matters, which are onerous, and give rise to much abuse and fraud. As a domestic question, affecting to some extent industry, trade and morals, within the United States, the bounty system is, no doubt, open to serious objection. But its bearing on the Colonial interests specifically involved in the recent treaty, is by no means so direct or important as has been supposed. The amount paid by the Government of the United States for bounties to fishing Vessels in the 12 years from 1841 to 1852 both inclusive, was £677,679 1s. 3d.

57. On the whole, I am inclined to think, that while a certain change in the direction of the Import and Export trade of Canada is likely to take place under the operation of the Reciprocity Treaty, the admission of the natural products of the Province into the same markets as those of the United States, and on similar terms, will very sensibly affect the value of property within the Colony, and tend to attract to it Capital and Emigrants of a superior class. A powerful effect in the same direction will no doubt also be produced by the completion of the great lines of Railway now in course of execution, which will render distant markets more accessible, and cause the Province to become the channel of a great transit trade, while they stimulate the productive capabilities of the districts through which they pass. Similar results may be expected to follow in the adjoining Colonies, when under the operation of these combined causes, all commercial reasons for inferiority in the value of land on the British side of the Boundary line, disappear. There is therefore, every reason to hope that if the great powers now wielded by the local legislatures be exercised with judgment, the prosperity of these Provinces, which has been so noticeable of late, will continue to advance with even accelerated speed for some years to come, subject of course to such occasional fluctuations as affect the commercial world generally.

58. On the occasion of a visit to the Western Section of the Province which I made few weeks ago, to attend the Annual Exhibition of the Upper Canadian Agricultural Association, which was held this year in the Town of London, I saw enough of the effect produced by the Railways already in operation to be able to form some estimate of the results which may be expected to follow when the great schemes now in course of execution shall have been completed. It is indeed hardly possible for any one but an eye witness, to form an adequate conception of the impulse which is given to these new Countries which contain a vast amount of undeveloped resources, and are accessible to European Emigration, by the introduction of such facilities for intercommunication, and the transport of commodities, as Railways afford. I was the better able to appreciate these effects in the present case, as I had visited portions of the same district of country on a similar errand in 1847. Copies of some of the addresses which were

presented to me on my recent tour, are herewith enclosed, as evidence of the loyalty and contentment which prevails among the population generally.

59. Before passing finally from the subject of the Fishery and Reciprocity Treaty, perhaps I may be permitted to observe that in one respect its fitness for the purposes which it is designed to accomplish has been subjected to a test of unusual stringency. As some of its provisions involved an alteration in the Tariffs of the Colonies, and rendered necessary the repeal of certain Colonial Statutes for the protection of the Fisheries, which had received the sanction of the Crown, it was deemed expedient, before bringing it into operation, to invite the Colonial Legislatures to pass such Acts as might be requisite for effecting these objects. The Canadian Parliament has responded to this appeal, by unanimously enacting the required Law. The Legislature of Prince Edward Island had taken the same course. In the Legislative Council of New Brunswick, there was no opposition to the measure, and in the Legislative Assembly of that Province only 5 dissentient votes. The Congress of the United States has already ratified the Treaty with much unanimity. The Parliament of Nova Scotia, has met in Special Session for the purpose of legislating on the subject, and I trust that it may be in my power before this despatch is closed to report the result of its deliberations. Should its action and that of the Imperial Parliament be favorable, the provisions of this Treaty will have received the direct sanction of 5 of the most popularly constituted Legislatures in the World, each of them representing constituencies deeply interested in the issue.

60. Simultaneously with the Great Industrial and Educational movement which have I endeavored thus summarily to describe, changes have been taking place in the Province of another character which are hardly less interesting and noteworthy in a moral and political, than in an economical point of view. On the first of January 1847, the Force stationed in Canada, and maintained wholly at the charge of the British Treasury, consisted of 7149 sergeants, drummers and rank and file, besides 3 Troops of Provincial Cavalry, and one Provincial Coloured Company, both of which were reduced in 1850. On

the corresponding day in 1848, the total amount of this force was.....	6191
1st January, 1849.....	6253
Do 1850.....	5971
Do 1851.....	5817
Do 1852.....	5714
Do 1853.....	4542
Do 1854.....	3306
1st October, 1854.....	1882

It is not expected that on the first of January 1855, it will number more than 1750 ; and negotiations are in progress which will probably by that time have relieved Great Britain of the greater part of the charge on account of Barracks and Military Works which has been hitherto borne by the Imperial Treasury.

61. The change which has taken place in the temper of the public mind, and in the tone of Provincial Statesmen in reference to charges of this description, is even more important as bearing on the condition and prospects of the Empire, than the reduction which has been effected in the actual expenditure incurred by Great Britain. At the commencement of the period which forms the subject of this Review, not only was there no willingness on the part of the Colonial Government and Legislature to relieve the Mother Country from any portion of this class of burdens, but there was even apparently, in some cases, a disposition to take a not very generous advantage of the liberality with which she bore them. When I arrived in the Province in 1847, I found that certain articles imported by the Commissariat for the use of the Troops, and purchased with British Funds, were chargeable on their introduction into the Colony with duties which went into the Provincial Treasury ; and it was not until the Sessions of 1849 and 1850, that the alterations in the Law were effected which put an end to this anomaly. As there was at that time hardly any semblance of a Civil Force in the Province, Her Majesty's Troops were constantly required to render services which would have been discharged more effectually and more consistently with British practice, by a Body of Police. I am happy to say that a very different spirit has been manifested in meeting the requirements which the recent reductions

in the Military Establishment of the Province have occasioned,—and that there seems to be every disposition to provide the funds necessary for the organization and establishment of an efficient local force. Although I hold that so long as the Colonists have no voice in the Imperial Councils, they are entitled to look to the Imperial Authorities for protection against hostilities which they have no share in provoking, and that it is therefore fitting that Imperial garrisons should be maintained at certain important Military stations, such as Quebec, as a pledge that this protection, when the contingency occurs, will not be invoked in vain, I am confident that nothing will more effectually tend to the security of the Empire, or to the establishment of a high standard of national and manly morals among the Colonists, than the assumption by themselves of some portion of the responsibility in respect of self defence, and the preservation of internal tranquillity, which has heretofore been cast upon the Mother Country.

62. The Parliament of Canada has just given proof of interest in the struggle in which the Empire is involved, and in the alliance now happily subsisting between the nations whose descendants form one people in this Province, by unanimously voting the sum of £20,000, for the relief of the widows and orphans of the soldiers and sailors belonging to either of the Allied Forces, who may fall in the service of their country during the present war. Is it too much to expect, that, if at some future day, when the material strength of these flourishing Provinces shall have been more fully developed, Her Majesty should chance to be engaged in a contest which carries with it, as the present contest does, the sympathies of all her people, the same spirit which prompts to this liberal contribution in the cause of charity, may lead Canadians to desire to share with their brethren of the Mother Country, the glories and the sacrifices of honorable warfare?

63. These results have not, it is true, been attained without the introduction of certain modifications into the system on which the Government of the Province has been administered, in reference to which it may be fitting that I should say a few words before closing this report, as their effect has been in certain quarters very imperfectly apprehended.

64. The principles of Constitutional or Parliamentary Government, admitted in theory since the date of the publication of the report of the Earl of Durham on Canadian affairs, have been during the past few years, allowed their full effect in practice. All attempts to give a monopoly of office to one party in the Province, or to relieve the Provincial Ministers from the responsibility properly attaching to their position as servants of the Crown within the Colony, have been abandoned. The Governor has accepted frankly as advisers, the individuals who have possessed from time to time the confidence of the Country and of the Legislature, on the distinct understanding, faithfully adhered to, that they should enjoy his support and favor, so long as they continued to merit them by fidelity to the Crown, and devotion to the interests of the Province.

65. It was not to be expected that this system of administration could be honestly carried out in a country where the fires of recent civil conflict were hardly yet extinguished, without provoking in some quarters, feelings of disappointment and irritation. But it ought to be remembered, when these matters are impartially reviewed, that the results of the Canadian Rebellion were of a somewhat complicated character. While armed resistance to authority was promptly and effectually crushed, the grievances complained of by the disaffected were denounced by the Officers of the Imperial Government appointed to investigate them, in terms hardly less emphatic than those employed by the disaffected themselves, and, on the faith of these representations, the Parliament of England, in the hour of triumph, had taken measures for their redress. When referring to those grievances the language of the report of the Earl of Durham, of Lord Sydenham's published correspondence, and of the biographer of Lord Metcalfe, is uniform. To assume, however, that after the causes had been thus removed the effects remained—to attempt by indirect methods to maintain a system of exclusivism which had been condemned in principle, was not less illogical than impolitic. It cast a doubt on the sincerity of the Imperial Government, and made it appear that the concessions which it had granted were due to something else than the sense of right and justice. Moreover, to any one accustomed to watch the movements of opinion, it was obvious that attempts of this nature could not by any

exercise of skill on the part of the Governor, be rendered permanently successful. In communities where the jealousy of Imperial interference in local affairs was already so great, a special preference by the Governor for one party in the state could not fail sooner or later to expose the party so preferred to suspicion, and to weaken its hold on the public mind. While on the other hand the fact that any class of politicians was the object of his special distrust had a tendency no less certain to secure for it an amount of popular sympathy, altogether disproportioned to its claims on public favor. And as suspicions and sympathies of this nature, when prevalent in the country and Parliament, were sure to tell on the stability of administrations, a Governor adopting this policy, whatever his tact and ability, found himself inevitably at one time surrounded by Councillors too feeble to aid him,—at another, by party leaders, who conceived that they had attained to office against his will, and that they were there less as Servants of the Crown, than as tribunes of the people, bound to press popular opinions and party interests on a reluctant and irresponsible Executive. I saw enough of the fruits of this policy soon after my arrival in the Province, to satisfy me that the situation which it created for the Governor was a false one, and that the perpetual agitation of the public mind occasioned by it was most unfavorable to the material and moral progress of the community.

66. In a despatch which I addressed to Earl Grey early in 1849, and from which I am at liberty to quote, as it was published in the Parliamentary papers of the day, I made the following remarks in describing the results of the constant antagonism between the Executive and the popular branch of the Legislature, which had characterized for many years the system of Canadian Administration. “In a society singularly democratic in its structure, where diversities of race supplied special elements of confusion, and where consequently, it was most important, that constituted authority should be respected, the moral influence of law and Government was enfeebled by the existence of perpetual strife between the powers that ought to have afforded each other a mutual support. No state of affairs could be imagined less favorable to the extinction of national animosities, and to the firm establishment of the gentle

and benignant control of those liberal institutions which it is England's pride and privilege to bestow upon her children. And I added, "I am not without hope that a steady adherence to the principles of Constitutional Government and the continuance of harmony between the coordinate branches of the Legislature, may lead in process of time to the correction of those evils." It is a fact of some importance as justifying the hopes expressed in the latter portion of this paragraph, that during the present Session of the Provincial Legislature, intensely exciting questions, such as those of the Clergy Reserves and Seigniorial Tenure, should have been settled on terms which command very general approval both in and out of Parliament, by an administration enjoying the confidence of the Conservative party in the Province.

67. I readily admit that the maintenance of the position and due influence of the Governor is one of the most critical problems that have to be solved in the adaptation of Parliamentary Government to the Colonial system, and that it is difficult to over estimate the importance which attaches to its satisfactory solution. As the Imperial Government and Parliament gradually withdraw from Legislative interference, and from the exercise of patronage in Colonial affairs, the office of Governor tends to become, in the most emphatic sense of the term, the link which connects the Mother Country and the Colony, and his influence the means by which harmony of action between the local and Imperial authorities is to be preserved. It is not however, in my humble judgment, by evincing an anxious desire to stretch to the utmost constitutional principles in his favor, but on the contrary, by the frank acceptance of the conditions of the Parliamentary system, that this influence can be most surely extended and confirmed. Placed by his position above the strife of parties—holding office by a tenure less precarious than the Ministers who surround him—having no political interest to serve but that of the community, whose affairs he is appointed to administer—his opinion cannot fail, when all cause for suspicion and jealousy is removed, to have great weight in the Colonial Councils, while he is at liberty to constitute himself in an especial manner the patron of those larger and higher interests, such interests for example as those of education, and of moral and material progress in all its

branches, which unlike the contests of party unite instead of dividing the members of the body politic. The mention of such influences as are an appreciable force in the administration of public affairs, may provoke a sneer on the part of persons who have no faith in any appeal which is not addressed to the lowest motives of human conduct, but those who have juster views of our common nature, and who have seen influences that are purely moral wielded with judgment, will not be disposed to deny to them a high degree of efficacy.

I have, &c.

(Signed,)

ELGIN AND KINCARDINE.

P. S.—I have just learnt that the Legislative Assembly of Nova Scotia has, by a majority of 31 to 10, passed the law necessary for giving effect to the fishery and reciprocity Treaty, in so far as that Province is concerned—and that the Lieutenant Governor has assented to it in Her Majesty's name.

*Copy of a Despatch from the Earl of Elgin and Kincardine
to the Right Honorable Sir John Pakington, Bart.*

GOVERNMENT HOUSE,

Quebec, December 22, 1852.

SIR,

I had the honour, with my Despatch No. 82, of the 9th September, to transmit two copies of "Tables of the Trade and Navigation of the Province of Canada for 1851," and I now enclose the Blue Book, together with a printed Copy of the "Accounts of the Province," and of a Report by the Commissioner of Public Works for the same year. These documents furnish much gratifying evidence of the progress and prosperity of the Colony, and justify the anticipations on this head expressed in my Despatch No. 94, of the 1st August, 1851, which accompanied the Blue Book of 1850. Lest any misunderstanding should be occasioned by the want of correspondence between the sum stated in this Despatch and the same sums as they ap-

pear in the printed returns, it may be well, perhaps, that I should mention that in the former they are given in sterling at the real exchange of £1 4s. 4d. to the pound sterling, in the latter, for the most part in currency.

2. The imports, or principal articles of British and Foreign merchandize entered for consumption in Canada during the year ending the 5th January, 1852, amounting in value to £4,404,409 0s. 3d., on which £606,114 5s. of duty was collected ; and the goods in warehouse under bond on that day were valued at £233,545 15s., subject to £76,660 2s. 3d. of duty.

The corresponding figures for the year preceding were as follows :—

Imports.....	£3,489,466	3	4
Duty collected....	506,050	8	6
Goods warehoused.....	150,709	18	7
Duties payable thereon.....	49,871	13	6

Of the imports entered for consumption there were imported from Great Britain :—

In 1851, to the value of.....	£2,475,643	14	7
In 1850, “	1,979,161	16	2

From the United States :—

In 1851....	1,718,992	17	2
In 1850.....	1,355,108	6	4

On analyzing the returns for 1851, it would appear that the imports classed under the heads of “ Goods paying specific and ad valorem Duties,” and “ Free Goods,” are those which show the most considerable balance in favour of the United States as against Great Britain ; viz :—

1st. “ Goods paying specific and ad valorem duties,” imported into Canada during 1851 :—

From Great Britain to the value of..	£ 70,957	18	6
From United States.....	407,360	12	10

2ndly. “ Free Goods” imported into Canada during 1851 :—

From Great Britain.....	£ 60,254	3	10
From United States.....	284,389	16	1

The former class of goods comprises, among other articles, many of foreign origin, such as tea, sugar, coffee, which are introduced through the United States, but are not the produce of

the country ; for it may be proper to mention that goods are classed as imports from the country where they are purchased, and consequently, when introduced from the United States, are entered as imports from that country, unless they pass through it in bond. The latter includes books, coin and bullion, and a considerable quantity of wheat. It is a fact of some interest as bearing on the subject of reciprocal freedom of trade between Canada and the United States, that so large a quantity of wheat should have been imported from that country into Canada during the year 1851.

3. Before I dismiss the subject of imports, it may be well that I should invite your attention to the evidence which these returns furnish of the extent to which, in certain departments, the manufactures of the United States have obtained a footing in the Canadian markets. They derive, no doubt, some advantage from contiguity ; but I am disposed to believe, from all that I can learn on the subject, that their British rivals would keep their ground against them more effectually if they evinced equal zeal in acquiring a knowledge of the wants and tastes of their customers.

During the year 1851, there were imported into Canada, of cotton manufactures, to the value of :—

From Great Britain.....	£609,281	4	7
From the United States.....	192,887	14	1

LEATHER.

From Great Britain....	11,140	12	4
From the United States.....	32,817	0	8

LINEN.

From Great Britain....	84,194	10	7
From the United States.....	9,204	4	5

SILK.

From Great Britain.....	129,009	9	7
From the United States.....	29,262	14	7

WOOL.

From Great Britain.....	486,030	9	3
From the United States.....	111,898	12	4

MACHINERY.

From Great Britain..	1,410	2	9
From the United States..	33,103	17	6

IRON AND HARDWARE.

From Great Britain.....	260,467	14	5
From the United States.....	118,969	14	9

Nevertheless, the imports from Great Britain into Canada for the year 1851 were valued, as I have already stated, at £2,475,643 14s. 7d., being at the rate of about £1 6s. per head on the total population.

4. The exports of articles of Canadian produce and manufacture during the year ending the 5th January, 1852, are valued in this return at £2,663,983 14s. 2d., as against £2,457,886 1s. 1d., exported during the year which ended on the 5th January, 1851. These amounts fall very far short of the computed value of the imports during the corresponding term. This is, however, a constantly recurring characteristic of the annual trade returns made up in the Province, as appears from the following table, which comprises a period of ten years.

Years.	IMPORTS.			EXPORTS.			
	£	s.	d.	£	s.	d.	
1842	2,127,643	5	8	1,291,213	9	10	The value of exports for these years is confined to Montreal and Quebec, no returns from the inland ports having been furnished.
1843	1,990,115	3	11	1,317,958	14	3	
1844	3,559,767	16	10	1,680,350	6	0	
1845	3,444,925	6	8	2,084,930	6	9	
1846	3,711,633	15	6	1,965,004	9	9	
1847	2,966,870	15	0	2,203,054	3	8	
1848	2,628,584	17	11	2,302,830	17	6	
1849	2,469,130	6	9	2,193,078	0	3	
1850	3,469,466	3	5	2,457,886	1	2	
1851	4,404,409	0	2	2,663,983	14	4	

Considerable sums are no doubt annually drawn on Great Britain, and expended in this Province, both on account of the Commissariat and of individuals who have incomes in England. It is probable also that a portion of the produce of the loans obtained in England for Public Works in the Province may contribute to swell the amount of the annual imports. It may, moreover, very reasonably be conjectured that the lowest valuation is placed by exporters upon articles which are destined, as is the case with an annually increasing proportion of the exports of Canada, for markets where they are subject to ad valorem duties.

5. The articles which figure most largely on the list of Canadian exports are :—

1st. Products of the forest.

2d. Agricultural products, the latter being subdivided, in these returns into,

- a. Animals and their products,
- b. Vegetable food.
- c. Other agricultural products.

The following statement gives the value as reported of the exports of these articles in the years 1850 and 1851 respectively :—

PRODUCTS OF THE FOREST.

In 1850.	In 1851.
£1,118,411 15 3	£1,245,927 18 5

AGRICULTURAL PRODUCTS.

In 1850.	In 1851.
a. £129,518 1 1	£182,366 16 5
b. 859,754 4 8	773,916 2 2
c. 11,046 7 2	7,814 1 7
£1,000,318 13 2	£964,097 0 2

These figures would seem to indicate that at this period the exports of the products of the forest and of agricultural products are nearly balanced in respect of value, the advantage being still, however, with the former class of products. With reference to this subject, it may perhaps be well that I should mention that since the reduction of the duties which operated as a protection to Canadian timber in the British market, the exports of red pine have considerably declined, while those of white pine have increased. This circumstance has led the Government to resolve this year to reduce the tax levied on red pine timber cut on the public lands, so as to equalize it to that levied on white pine. Over and above these more considerable exports, it would appear from the official returns that there were exported from Canada during the year 1851—

Products of the seas to the value of...	£51,225	5	6
Products of the mine.....	17,326	7	5
Manufactures.....	11,327	10	3

6. Further evidence of the growth of the trade and resources of the colony is furnished in the progressive increase in the revenue derived from tolls on the provincial canals, as indicated by the following return :

CANAL TOLLS.

Years.	Gross receipts.	Net revenue.
1848	£38,214 1 3	£30,259 1 9
1849	46,192 8 3	39,479 13 8
1850	54,939 12 3	43,296 7 8
1851	62,640 3 8	52,545 5 6

A still more striking result is obtained if the total movement of property in goods, wares and merchandize, on the principal canals, namely, the Welland, St. Lawrence and Chambly, in each of these years respectively, be compared.

Tons.	Welland.	St. Lawrence.	Chambly.
	Tons.	Tons.	Tons.
1848	307,611½	164,267	18,835
1849	351,598½	213,153	77,216
1850	399,600	288,103½	109,040¾
1851	691,627½	450,400½	110,726¾

7. It may probably be convenient that I should endeavour at this stage of my report to furnish as briefly as possible some information with respect to those public works which are now beginning to be productive, and in the execution of which the debt of the Province has mainly been incurred ; in order, however, to render my observations on this head intelligible, it is necessary that I should premise, that before 1849, independently of the sums expended on works of great magnitude and provincial interest, such as the above mentioned canals, the legislature of the Province had been in the habit of annually appropriating amounts more or less considerable in aid of minor local works, such as roads and bridges. These works were rarely remunerative while in the hands of the Government, and the system was on other accounts objectionable. It was therefore wisely determined in that year to discontinue it, and an Act (12 Vict. c. 5,) was passed, authorizing the Government

to take steps for the transfer, on such terms and conditions as might be agreed on, to municipalities, local corporations, or companies, of such works of this class as were then in the hands of the provincial authorities.

8. The total cost up to the 1st January, 1852, of the public works of Canada, under charge of the department of public works, classed as productive, and not affected by the resolution to which I have referred, amounted to £2,834,234, 1s. 1d., and the net revenue derived therefrom in the year 1851 was £48,278 0s. 10d., being under two per cent. on the outlay. The revenue from this source, however, as I have already observed, is progressively increasing; and it is moreover obvious that the direct income accruing from such works is by no means an adequate representation of their value to the Province.

9. As illustrative of this point, I may observe that the St. Lawrence and Welland Canals complete a continuous inland navigation to Chicago on Lake Michigan, a distance of 1,587 miles from tide water at Quebec. The length of canal in this navigation is $68\frac{1}{2}$ miles, with $550\frac{3}{4}$ feet in lockages. These canals are not all of the same dimensions, but properly constructed vessels conveying 4,000 barrels of flour, or from 350 to 400 tons of freight, can pass through them. The Erie Canal in the State of New York, which is the great rival water route from the west, is 363 miles in length, with 688 feet of lockages, and is not capable of transporting barges of more than seventy-five tons burthen. The Chambly Canal is a work of smaller dimensions, connecting Lake Champlain with the river Richelieu, which flows into the St. Lawrence at Sorel. The traffic on this canal increased, as I have shown, rapidly up to the commencement of the year 1852; since which period it has suffered from the competition of an adjoining railway. A strong feeling exists in certain quarters in favour of the construction of a ship canal, on a scale at least equal to that of the St. Lawrence canals, from some point on the southern bank of St. Lawrence opposite Montreal to Lake Champlain; and the project of a similar work on the Sault St. Marie, to connect Lakes Huron and Superior, is also pressed by many persons. The Government has not, however, yet engaged in either of these undertakings.

10. The increase which has taken place within the last few years in the movement of produce on these inland waters does not, however, it may be proper to remark, appear to have been met by a corresponding increase in the traffic of the seaports. The following is a statement of the number and tonnage of vessels from sea which entered inwards and outwards at the ports of Quebec and Montreal, in each of the six years preceding 1852 :

		Ships.		Tonnage.
1845	.....	1,699	.....	623,389
1846	.....	1,699	.....	623,791
1847	.....	1,444	.....	542,505
1848	.....	1,350	.....	491,247
1849	.....	1,328	.....	202,513
1850	.....	1,341	.....	485,305
1851	.....	1,409	.....	573,397

During the earlier years of this series, while the Canada Corn Act of 1843 was in operation, an impulse was given to the trade of Quebec and Montreal by the preference accorded in the markets of Great Britain to produce conveyed by the route of the St. Lawrence. Since that preference has been withdrawn, the facilities afforded by the Government of the United States for the transportation in bond of Canadian imports and exports through its territory, and the multiplication of railways connecting the southern bank of the St. Lawrence with different points on the coast, have diverted a portion of the trade of that river from the Canadian seaports to those of the United States. As this is, however, a point of considerable importance to the interests of the lower province especially, it may be well to look into it more closely with the view of inquiring whether there be any thing in the nature of the route itself, or in the nature of the trade, which places the route of the St. Lawrence at a disadvantage in competing with others for the trade of the great west.

11. The inland navigation of the St. Lawrence route shares with the Erie Canal the inconvenience of being closed during about five months of the year, with this aggravation, however, that its seaport is subject to the same drawback. In all other respects, whether as regards size and shortness of canals, free-

dom from shipment, rapidity of transport, or the capacity for doing extensive business, it has unquestionable advantages over its rival.

12. Again, maps on Mercator's projection, and the fact that indifferent ships, recklessly navigated, have not unfrequently been employed in the timber trade, have contributed to produce an exaggerated popular impression with respect to the length and the perils of the ocean route of the St. Lawrence. It is not sufficiently known, as regards the former point, that the sailing distance from Liverpool to Quebec is, if the Straits of Belleisle be taken, some 400 miles, and, if the southern course be preferred, from 100 to 200 miles shorter than that from Liverpool to New-York ; and that, as respects the latter, the ocean route of the St. Lawrence is by no means peculiarly hazardous to well-found ships, navigated by officers who are thoroughly acquainted with it, while it is especially adapted to screw or paddle steamships, from the circumstance that a considerable portion of the passage from one continent to the other is in smooth water. These remarks respecting the route would not be complete if I were to omit to add, that the Acts recently passed by the local legislature to encourage steam communication between Liverpool and Quebec, and to connect Quebec and Montreal by railway with seaports open during the winter, will tend materially to develop its capabilities.

13. There are some circumstances, however, arising out of the nature of the trade itself, which call for notice in this statement, inasmuch as the competency of the St. Lawrence route to maintain a successful rivalry in the transport of goods and passengers with other competing routes from the west is affected by them. Timber, as I have already remarked, still constitutes the principal article of export from Canada ; and all the timber destined for Europe is shipped either at Quebec, to which point it is conveyed in rafts from the upper country, or at points lower down the river. Now, timber is an article of great bulk in proportion to value, and this circumstance has an effect on the shipping trade of the port, which the following return may serve to illustrate, showing, as it does, that while all the ships that sailed from Quebec in 1852 left it with cargoes, more than half of those which entered inwards were in ballast.

STATEMENT showing the Number and Tonnage of Vessels entered Inwards and Outwards at the Port of Quebec in 1852, with Cargoes or in Ballast.

INWARDS.		
	Ships.	Tons.
With cargoes.....	560	224,525
In ballast.....	671	280,599
OUTWARDS.		
With cargoes.....	1,228	518,580
In ballast.....	None.	None.

It is more than probable, therefore, that so long as Timber continues to be shipped extensively at Quebec, freights outwards will have a tendency to rule higher at this port than at others, where the trade inwards and outwards is more nearly balanced in respect of bulk.

14. The same circumstances, however, which contribute to raise outward freights serve to enhance the advantages of the route of the St. Lawrence as a channel for traffic inwards. The admirable and capacious system of inland navigation extending from Quebec for upwards of 1,500 miles into the interior of the continent, and the certainty of obtaining outward freights, are calculated to cause a preference to be given to this over rival routes for the transport of heavy goods such as salt and iron, and of immigrants destined for the vast regions bordering on the great lakes. These advantages are not yet generally known, nor have they been appreciated as highly as they deserve. The following return gives the number of immigrants who arrived at the ports of Quebec and New York respectively in each of the four last years :

Years.	Quebec.	New York.
1849.....	38,494	220,603
1850.....	32,392	212,796
1851.....	41,076	289,601
1852.....	39,176	234,258 up to 1st November.

Although there is no increase in the gross amount of immigration to Quebec during the current year, it is an interesting fact that it comprises an unusually large proportion (7,256) of foreign emigrants, who could have been attracted to this port only by the superiority of the route. I am also informed that

during the course of the past season many vessels which conveyed emigrants to New York from Europe have come from that port in ballast to the St. Lawrence in search of outward freights.

15. To complete this subject, I append a return showing the number and tonnage of vessels built at Quebec in each of ten years ending with 1852.

No. of Vessels. Tons.			No. of Vessels. Tons.		
1843....	48	13,785	1848 ...	41	19,909
1844....	48	15,046	1849....	37	24,396
1845....	58	26,147	1850....	45	30,387
1846....	40	19,764	1851....	65	41,505
1847....	70	37,176	1852....	42	27,856

Few ports offer such facilities for ship building as Quebec, all materials employed in the construction of vessels being cheap, labour, during the winter months at least, abundant and procurable at moderate rates, and outward freight at all times secured. The principal drawback attending the extension of the business is the increased temptation to desert from ships entering the port, occasioned by the demand for seamen to man new ships. Desertion prevails at Quebec to an extent that is much complained of. The subject is now under the consideration of the Government, with a view to the adoption of some remedial measure. A naval school is also about to be established, in the hope that it may indoctrinate some of the native youth with a taste for seafaring pursuits.

16. Before I pass on to other topics, it may perhaps be advisable that I should say a few words with respect to the pecuniary responsibilities which the Province is assuming in connexion with the great railway enterprises now in progress or prospect within it. At the time when the resolution respecting local works to which I have already referred was adopted by the Government, it was urged with much force and justice, that the objections which unquestionably existed to the extension of public aid to undertakings of that class did not apply to works of great magnitude, to which an interest, provincial rather than local, attached, and which were, moreover, in the then circumstances of the Province, clearly beyond the reach of private enterprize. Within this category, lines of railway of considerable length, linking together districts of the Province remote

from each other, and calculated materially to benefit its general trade, were held to fall. It was accordingly concluded that aid from the funds or credit of the Province might, under proper conditions and restrictions, be afforded to these undertakings, without any departure from the salutary principle which had been adopted in the case of local works generally. It was resolved, however, that in administering such aid, the pecuniary interests of the Province should be more carefully protected than they had been in respect of advances previously made for local works. The Provincial Act, 12 Vict. c. 29 (passed in 1849) was framed on the principle that the sums advanced on the credit of the Province in furtherance of undertakings of this class should in no case exceed one half of the amount actually expended on the work, and that the whole resources and property of the companies should be pledged for their redemption, and for the payment of interest upon them. In all the railway enterprises undertaken since that period, where public aid has been given, this principle has been substantially agreed to.

These comprise :—

- 1st. The St. Lawrence and Atlantic Railway, running from the St. Lawrence, opposite Montreal, to the frontier line, where it joins an American railway, which will extend, when completed, to Portland, in the State of Maine; length, 126 miles.
- 2nd. The Ontario, Simcoe and Huron Railway, running from Toronto to Lake Huron; length, 90 miles.
- 3rd. Great Western, from Hamilton to Windsor; 228 miles.
- 4th. Quebec and Richmond; 100 miles.
- 5th. Main Trunk from Toronto to Montreal; 380 miles.
- 6th. Quebec and Trois-Pistoles, on the route to the lower Provinces; 160 miles. The construction of the two last mentioned lines is provided for in Acts passed during the present session of the Provincial Parliament.
17. That the increased facilities afforded by these and other measures to the internal and external trade of the Province are called for by the growth of its population and resources is apparent from the returns of the census for the year 1851, which are herewith transmitted. These returns state the total population of the Province at 1,842,265; 890,261 for Lower Canada,

952,904 for Upper Canada. In Lower Canada, 94,449 persons occupy lands, having under cultivation 3,605,517 acres, or rather arpents, which is the common measure of land in Lower Canada, and contains about six sevenths of an acre. In Upper Canada, 99,860 persons occupy lands, having under cultivation 3,697,724 acres. In certain agricultural products, such as flax and hemp and maple sugar, as well as in some domestic manufactures, as fulled cloth and linen, the returns from Lower Canada exceed those from Upper Canada ; but the produce of wheat and of agricultural products generally is much more considerable in the upper than the lower Province.

18. The full import of these statistical results cannot, however, be apprehended unless a comparison be instituted between them and similar returns made up at former periods. As the censuses of the Province which have been effected at different times, have been taken under different systems, and with varying degrees of correctness, it is not possible to draw from such a comparison inferences which can be considered rigorously exact. Sufficient accuracy may, however, be attained for practical purposes, and ample proof given that the Province is advancing at a rate of progress which is highly satisfactory.

19. To begin then with the subject of population. At the period of the surrender of the country to Great Britain its population was estimated at from 60,000 to 65,000. The population was French or French Canadian, and was chiefly located in that part of the Province now called Lower Canada. It has received since that period no accessions by immigration ; on the contrary, the passion for moving westward, which prevails so universally in North America, has affected the French Canadians to some extent, and considerable numbers are scattered over other parts of the continent. Nevertheless the census of 1851 gives 665,528 as the actual number of the French Canadian population of Lower Canada, besides 26,417 resident in the upper Province. Exhibiting thus an increase from natural causes alone of upwards of 1,000 per cent. in ninety years. By the side of this population has grown up another, amounting, in 1851, to 220,733, composed of immigrants from Great Britain and other countries, and of Canadians not of French origin ; making the whole population of this section of the Province 890,261.

20. The progress of Upper Canada in respect of population has been still more remarkable. In the year 1791, the date of the Constitutional Act, it amounted to... 50,000

In 1811	77,000
1824	151,097
1832	261,060
1842	436,055
1851	952,004

21. In the absence of systematic local assessments in Lower Canada (for the power of assessment given to Municipalities by recent Acts is but partially exercised, and the compulsory assessments for the support of common schools are not yet universally enforced), it is difficult to obtain direct proof of the growth in wealth of that section of the Province. In Upper Canada also, the changes which have taken place from time to time in the mode of levying assessments and of valuing assessable property, render the evidence furnished thereby with respect to this point less conclusive than it would otherwise have been. Enough, however, may be gathered from the assessment rolls to warrant the belief that the growth of wealth in Upper Canada, of late years, more especially, has not been less remarkable than that of population.

22. The first Act for laying and collecting local assessments in Upper Canada was passed in 1793. It divided the population for purposes of assessment into eight classes, according to property, excepting from assessment altogether all whose property was worth less than £50 currency. The highest class under this Act included persons with £400 currency and upwards, who were taxed by it at the rate of £1 currency a year. A further Act was passed in the following year, adding two classes to the top of the scale, and including in an "upper list" all persons believed to be possessed of real or personal property, goods, or effects above the value of £500 currency.

23. On the allegation that "the present mode of laying assessments had been found inconvenient," an Act was passed in 1893 defining "rateable property," and subjecting each description thereof to a fixed and uniform valuation. Under this Act cultivated land was valued at £1 currency an acre; uncultivated at 1s. currency. A second Act on the same subject, which passed in 1807, raised the value of uncultivated land for

purposes of assessment to 2s. currency ; and a third, passed in 1809, rated it at 4s. currency per acre. Assessments were levied under the valuation fixed by this last mentioned Act until the year 1851 ; but in 1849 the Board of Registration and Statistics report that the best information they have been able to procure after very extensive enquiry leads them to the conclusion that cultivated land in Upper Canada in the rural districts may be valued on the average at £3 10s. 10d. currency, per acre ; uncultivated, at £1 9s. 2d. currency. Positive inferences respecting the relative value of property at different epochs are not probably deducible from these data, but they are interesting in many points of view, and especially so as showing at how early a period the salutary practice of local self-taxation for local objects obtained a place among the customs of Upper Canada.

24. Another view of the assessment rolls throws further light on the question of the growth of wealth in the community. The first returns of the assessable property of Upper Canada, as taken under the Act of 1819, which I have been able to procure, are those of 1825. Its total amount is estimated in that year

	at	£1,854,965	5	0
In 1830.....	at	2,407,618	14	8
In 1835.....	at	3,189,862	14	11
In 1840.....	at	4,608,843	12	0
In 1845.....	at	6,393,630	16	0

Another Act (13 & 14 Vict., cap. 67,) was passed in 1850, requiring the municipal authorities to assess property at its real value, and rendering certain descriptions of personal property rateable, which were previously exempted from assessment. I have obtained statements which, although not strictly official, are, I believe, tolerably correct, of the amounts of the two valuations (those, namely, for 1851 and 1852), which have already taken place under the Act, and I find them to be as follows :—

Total value of assessable property in Upper Canada in the year—

1851.....	£36,252,173	7	0
1852.....	37,695,931	4	8

In order to arrive at the real value, it is believed that 20 per cent. at least ought to be added to these amounts.

25. The census of the United States for 1850, the last that has been taken, exhibits a greater amount of property in proportion to "free population;" the numbers of the latter being stated at 20,089,909, and the assessed value of real and personal estate at 6,010,207,309 dollars, about £1,210,000,000, to which sum 20 per cent. is added to obtain the real value. It is to be observed, however, in the first place, that valuation according to actual value has been longer customary in the United States than in Canada, and is consequently, it may be presumed, more stringently carried out in the former country than in the latter; and in the second, that the labouring class in the southern states, amounting to 3,179,589 souls, instead of contributing to swell the aggregate of population, are cast as chattels into the scale of assessable property. Some other interesting points of comparison between the progress of the United States and Canada present themselves on a review of the census returns.

Total free population of the United States—

In 1840..... 14,582,102

In 1850..... 20,089,909

Increase 37.77 per cent.

Total slave population of the United States—

In 1840..... 2,487,358

In 1850..... 3,179,587

Increase 27.81 per cent.

Total population of Canada—

In 1841..... 1,156,139

In 1851..... 1,842,265

Increase 59.34 per cent.

Total population of Upper Canada—

In 1841..... 465,357

In 1851..... 952,004

Increase 104.57 per cent.

Wheat crop, Upper Canada—

	Bushels.	To each inhabitant.
In 1841.....	3,321,991	6.60
In 1847.....	7,558,773	10.45
In 1851.....	12,692,852	13.33

nearly quadrupling itself in ten years.

Wheat crop, Lower Canada—

	Minots.	To each inhabitant.
In 1843.....	942,835	 1.36
In 1851.....	3,075,868	 3.46

The minot is about one-twelfth more than the bushel.

Wheat crop, United States—

	Bushels.	To each inhabitant.
In 1850....	100,479,150	 4.33

Value of imports of British goods into Canada—

	British Imports.	Population.
In 1851 ..	£2,475,643 14 7	.. 1,842,265
About £1 6s. per head.		

Value of imports of British goods into the United States—

	British Imports.	Population.
In 1850 ..	75,159,424 dollars	.. 23,246,301
About 13s. per head.		

The British imports into the United States increased in 1851 to 93,847,886 dollars, making about 16s. per head on the estimated population.

26. To return, however, for a moment from this digression to the point more immediately in hand, namely, the assessable property of Upper Canada (and in doing so I feel bound to say that I do not think much reliance should be placed on comparative statements such as those presented above, inasmuch as the data on which valuations and estimates are made in different countries are not always uniform), it is important to ascertain what amount of indebtedness for municipal purposes attaches to this property. The best information which I am able to obtain on this point leads me to believe that it does not at present exceed in all £572,115 12s. 4d. Very stringent provisions for the protection of creditors of municipalities, and for regulating and restricting the power of these bodies in the creation of debt, were contained in an Act (12 Vict. cap. 81), passed in 1849. The Act of this Session which provides for the establishment of a Municipal Loan Fund for Upper Canada; (16 Vict. cap. 22,) has the same object in view. It is hoped that by these means, while the credit of the municipal bodies

in Upper Canada is placed on an unexceptionable basis, and made available for legitimate purposes, any tendency in particular localities towards incurring imprudent or excessive liabilities may be kept in check.

27. While such is the condition of the province in respect of material prosperity, its moral and intellectual interests are not neglected ; independently of the Clergy Reserves—of the tithe levied in Lower Canada from the Roman Catholic population for Roman Catholic purposes—and of various endowments and special grants for collegiate institutions, normal schools, and other objects of a like character in both sections of the province, the sum of £41,095 17s. 10d. is set apart annually from the public funds for the support of common schools, and divided between Upper and Lower Canada in proportion to their respective population. Each school municipality, in order to entitle it to obtain the share of this fund allotted to it, is bound to raise by local taxation at least an equal sum. In Upper Canada the sums thus raised greatly exceed the required minimum. The Returns for 1851 show that in that section of the province there were in that year 3,001 common schools in operation, attended by 168,159 pupils, and that the total sum available for teachers' salaries, and for the erection and repair of school-houses, was £98,226 15s. 7d., of which sum £20,547 18s. 11d. was parliamentary grant, the remainder being raised by local assessment and rate bills imposed by school trustees. In Lower Canada, where direct taxation is especially distasteful, the levy of a local rate was made compulsory, and attended for a time with some difficulty. The people in this part of the province are, however, becoming generally reconciled to a tax from which they derive so palpable a benefit, and the common school system is making satisfactory progress among them likewise.

28. The separation between ecclesiastical and civil affairs in this province is so complete, and the number of denominations in Upper Canada so considerable, that it is difficult to furnish precise information with respect to the amount of the provision for the religious wants of the community. The following statement is, I believe, tolerably accurate :—

Dioceses of the Church of England, three ; clergy, 242 ; population, 268,592.

Dioceses of the Church of Rome, seven ; clergy, 543 ; population, 914,561.

Clergy of all denominations in Lower Canada, 641 ; population, 892,261. Upper Canada, 869 ; population, 952,004.

On this and many other points much interesting information is given in the excellent lectures on the growth and prospects of Canada, by the Rev. Mr. Lillie, a copy of which I had the honour of transmitting to you in my Despatch No. 35, of the 15th April. The following is a statement of the appropriation of the Clergy Reserve Funds in 1851 :—

Church of England, Upper Canada,	£10,394 5s. 11d.
Church of England, Lower Canada,	£1,786 15s.
Church of Scotland, Upper Canada,	£5,847 16s. 7d.
Church of Scotland, Lower Canada,	£893 7s. 5d.
United Synod of the Presbyterian Church, Upper Canada,	£164 18s. 4d.
Roman Catholic Church, Upper Canada,	£1,369 17s. 3d.
Wesleyan Methodist, Upper Canada,	£639 5s.

29. As very exaggerated impressions prevail generally with respect to the severity of the climate of Canada, it might not be amiss that I should in this place call attention to the fact that, although the annual range of the thermometer is undoubtedly very considerable in the eastern districts of the province, the great lakes, which cover in the aggregate an area of 91,860 square miles, materially temper the extremes of heat and cold in the western parts, and increase the humidity of the atmosphere, rendering the climate especially favorable to the cultivation of the cereals.

The following is a table of the mean maximum and mean minimum temperatures, with the range of the different months in the year, as observed at Toronto, in Her Majesty's observatory. The mean being eleven years from 1840 to 1850, both inclusive.

	Mean.	Maximum.	Minimum.	Range.
January.....	24·67	45·53	4·41	49·74
February.....	24·14	46·35	4·37	50·72
March.....	30·83	53·31	7·59	45·92
April.....	42·17	71·44	17·96	53·48
May.....	51·84	76·76	28·82	47·94
June.....	61·42	76·44	35·72	40·72
July.....	66·54	88·11	44·05	44·06
August.....	65·76	83·98	45·02	38·95
September.....	57·11	80·19	32·07	42·12
October....	44·50	66·10	22·17	44·30
November.....	36·57	57·03	13·33	43·60
December.....	27·18	45·25	3·52	46·27

Annual mean, 44·39.

The climate of Toronto is greatly more temperate than that of other places in the same latitude which are situated to the east or west of the great lakes, and at a distance which removes them from their influence. A very useful pamphlet has been published on this subject by Mr. Henry Youle Hind, mathematical master, and lecturer in chemistry and natural philosophy at the Provincial Normal School, at Toronto, under the title of "A Comparative View of the Climate of Western Canada," considered in relation to its Influence upon Agriculture."

30. As the Post Office exercises no mean influence on the social and intellectual interests of a community, I will close my report with a few remarks on the condition of that department, which was transferred to the control of the Provincial Authorities in the month of April, 1851. At the period of the transfer an uniform rate of 2d. currency (about 2½d.) the half ounce was substituted for the rates, varying according to distance, which were previously levied, and which amounted on the average to 9d. currency (about 7½d.) the half ounce on all letters passing through the office. The returns of the department show that in the year ending 5th April, 1852, 2,931,375 miles were travelled by the mail—an increase of 444,360 miles over the preceding year, and that 243 new Post Offices were added to the establishment. The gross postage revenue for the first year of reduced postage was £59,004 11s. 10d., that of

the preceding year having been £77,097 10s. 8d. It fell short of the expenditure by £9,362 0s. 11d. ; but it is estimated that a sum of £3,287 13s. 5d. will cover the deficiency for the current year.

31. The condition of the Indians of Canada calls for a passing notice in this report. The Legislature and Government of the Province have always been kindly disposed to them. They have readily, as circumstances required it, passed laws for their protection ; and they have not had recourse to those measures of violence and fraud which have been adopted elsewhere in order to force them to recede before the advance of the white man. The Indians of the upper province, however, such of them at least as occupied the settled parts, are in many respects more favorably situated than those of the lower. They have always been held to possess certain territorial rights, which as population and settlement have progressed have been made the subject of negociation.

In return for their formal cession of lands to the Crown, they have received compensation in the shape of annuities, and been permitted to retain fitting tracts for their own occupation, or for sale for their benefit. The Indians of the lower province on the contrary, have no funds (one or two seigniories of little value excepted) save the annual presents which they owe to the bounty of the British Government. As a partial remedy for this evil, the Provincial Parliament in the year 1851 passed an Act (14 and 15 Vict. cap. 106), setting apart for their use some considerable tracts of land, and a sum of £821 13s. 4½d., per annum. In Upper Canada the Indians inhabiting the settled districts are estimated in round numbers at about 7,500 ; those inhabiting the unsettled districts at about 3,000. In Lower Canada the corresponding classes may be stated at 3,500 and 2,000 respectively. The numbers in the unsettled districts cannot be very precisely ascertained, and it is to be feared they are diminishing. The Indian population in the settled districts seems on the whole to be stationary, or perhaps somewhat advancing. They are also making in different degrees some progress in civilization. I am in hopes that the Industrial Schools for the young, to which I called Earl Grey's attention in my Despatch to his Lordship No. 19, of the 31st January, 1849, may prove of essential service in this respect.

32. Before bringing this report to an end, I think it right to offer a few remarks on the subject of the Provincial Debt, Expenditure and Income.

That portion of the Public Debt of the Province which has been incurred in the execution of works of a productive character, which the Government proposes to retain in its hands, amounts, as I have already shown, to £2,834,234 1s. 1d., £1,500,000 of this amount was raised with the guarantee of the British Government, and bears interest at four per cent. At the close of 1851 the stock held on account of the sinking fund for the redemption of this loan, as appears from Earl Grey's despatch to me, No. 682, of the 22nd January, 1852, was £119,884 0s. 10d.; since which period further sums, amounting to £180,000, have been paid into this account. The remaining debt of the Province amounts to £890,666 2s. 6d., and is partly represented by the local works which, in pursuance of the policy adopted in 1849, are being gradually disposed of; making the total amount of the Provincial Debt £3,659,146 15s. 1d. Over and above this debt are the liabilities which the Province has incurred and is still incurring for the promotion of certain railway undertakings. I have, however, already stated the conditions on which these advances are made. It is by no means probable that they will ever entail any charge on the Provincial Treasury.

The total expenditure of the Province for the year 1851 amounted to £521,643 11s. 2d., including—

Interest on Public Debt.....	£183,749	7	0
Sinking Fund.....	60,000	0	0
Expenses of the Legislature..	39,128	18	9
Education.....	54,380	4	0
Agricultural Societies.....	10,617	4	2
Hospitals.....	14,447	4	1
Indian Annuities.....	6,373	19	5

Leaving for administrative expenditure, properly so called, comprising the cost of the civil government, administration of justice, penitentiary, militia, pensions, and a variety of other miscellaneous charges, £152,946 13s. 1d., about 1s. 8d. per head on the population, an amount which cannot be considered excessive, for on instituting comparisons between expenditure

under these heads in Canada and in particular states of the Union it must always be borne in mind that many charges which are defrayed out of the provincial revenue here are in the United States thrown on the funds of the federal government or of the municipalities.

(*Sic.*)—34. The revenue for the same period was £692,206 4s. 9d., comprising—

- 1st. Revenue from customs, amounting, after deduction of duties returned, and expenses of collection, which were about five per cent. on the total receipts, to £578,843 2s. 9d.
- 2d. Revenue from excise, derived principally from duties on stills, spirit shops, hawkers and pedlars' licenses, and auction licenses, yielding in 1851, after deduction of expenses of collection (about twelve per cent. on the whole), £16,586 17s. 3d.
- 3rd. Territorial consisting of rents of ferries and proceeds of public lands and forests, amounting, in 1851, to—

Gross revenue, . . .	£61,080	3	7
Net do.	16,406	10	10

The great discrepancy between gross and net revenue in this case is attributable partly to the necessarily expensive character of the duties devolving on the department, and partly to the redemption of land and militia scrip, which is received in payment of Crown lands. £31,395 14s. 2d. of scrip was thus redeemed during the course of 1851. In order to make this point clearer, it may be proper to mention, that by a provincial Act, passed in 1841 (4 & 5 Vict. cap. 100), free grants of land in this Province (with the exception of grants of fifty acres to actual settlers in the vicinity of public roads in new settlements) were put an end to. Persons who had claims to land (such persons being for the most part U. E. loyalists, militiamen, and military settlers,) were bound to present them before the 1st of January 1843, and, if they could make them good, were allowed scrip at the rate of 4s. per acre for such claims. This scrip being receivable as money in sales of Crown lands, the period for making these claims was extended by an Act

passed in 1849 (12 Vict. cap. 31); but all issues of scrip have now ceased. The total amount of scrip issued under these Acts is about £190,000, of which upwards of £170,000 have been redeemed, being to that extent a reduction of the public debt of the Province.

4. Revenue from lighthouses and tonnage duty.....	£	770	8	4
5. Revenue derived from a tax on the issues of banks.....		13,012	18	3
6. Revenue from public works, including interest on the purchase money of certain works which have been alienated by the Government.....		53,432	0	10
7. Militia fines.....		6	13	7
8. Fines and forfeitures.....		1,121	1	11
9. Casual revenue, including certain fees that are funded, interest on moneys deposited with banks, and other miscellaneous receipts.....		9,154	12	9
10. Law fees, funded.....		3,330	18	2
The general result being—				
Revenue.....		692,206	4	6
Expenditure.....		521,634	11	2
showing on the financial transactions of the year an excess in revenue over expenditure of.....		170,562	13	7

35. The foregoing statements are submitted in the hope that they may throw some light on the present condition and prospects of this interesting community of our fellow-countrymen, which under the protection of Great Britain, and in the enjoyment of British institutions, is growing up in the immediate vicinity of the United States, at a rate of progress, less ostentatious and vaunted it may be, but susceptible, notwithstanding, of no unfavorable comparison with that of the adjoining republic.

I have, &c.

(Signed)

ELGIN AND KINCARDINE.

The Right Hon.

Sir JOHN S. PAKINGTON, Bart.,

&c. &c. &c.

*Copy of a Despatch from the Earl of Elgin and Kincardine
to his Grace the Duke of Newcastle.*

[No. 58.]

GOVERNMENT HOUSE,

Quebec, August 16, 1853.

MY LORD DUKE,

I have the honour to transmit herewith the Blue Book for 1852, together with two printed volumes, containing respectively the public accounts of the province, and tables of its trade and navigation, for the same year.

2. In my Despatch to Sir John Pakington, No. 116, of the 22d December 1852, which accompanied the Blue Book for 1851, I endeavoured to submit as detailed and accurate a representation of the then state and prospects of the colony, and the bearing of recent legislation, both imperial and provincial, on its material and moral interests, as in a document of that character it was possible to furnish; it is not necessary, therefore, that I should on the present occasion go over the same ground again. I have only to inquire how far the experience of another year may have modified conclusions previously arrived at.

3. The value of imports into Canada for the year ending the 5th January 1853, is stated at £4,168,457 8s. 3d. against £4,404,409 0s. 3d. for the year immediately preceding. Here then is a falling off, though to no great amount, into the causes of which it may be proper to inquire.

4. It will appear, on a close examination of the returns which accompany this Despatch, that a considerable portion of the falling off in question has taken place in goods which are classed as free goods, the total value of goods imported under this head in 1851 having been £372,058 11s. 10d., and in 1852 £256,407 16s. 8d. Among the goods comprised in this category, of which there has been in 1852 a diminished importation, are military stores, wheat, to the large importation of which from the United States in 1851 I called special attention, in the second paragraph of my Despatch to Sir John Paking-

ton, No. 116, of the 22d December last, and coin and bullion, which represent in the imports of 1851 the sum of £90,397 2s. 8d., but are altogether omitted from the returns of 1852. This circumstance may in some measure account for the fact, that the diminished importation for the year has not been accompanied by a corresponding diminution in the revenue from customs, the said revenue having been.

		£	s.	d.
For 1851.....	{ Gross.....	606,114	5	2
	{ Net.....	577,158	15	8
For 1852.....	{ Gross.....	607,613	18	11
	{ Net.....	579,964	1	10

5. As respects dutiable articles, there appears to have been a falling off in cotton goods, which were imported in 1851 to the value of £802,492 13s. 11d., and in 1852 to the value of £636,321 17s. 8d. Of woollens, linens, and many other manufactures, there was on the other hand an increase in the latter year over the former; but on the whole I am inclined to believe that importing merchants, looking to the great and rapid increase that had recently taken place in the aggregate amount of the annual imports, which had risen from the value of £2,463,130 6s. 9d. in 1849, to the value of £4,404,409 0s. 2d. in 1851, conducted their operations with especial caution during 1852.

6. With the view, however, of ascertaining whether or not the check which had been given in 1852 to the rapidly progressive increase of Canadian imports was due to causes which were likely to be permanent, I have caused returns to be prepared, showing the comparative amount and value of the importations during the first six months of 1852 and 1853 respectively. It appears from these returns that the imports into the province during the six months ending the 5th July 1852 amounted in value to £1,782,464 13s. 11d., and, during the six months ending the 5th July 1853, to £2,811,970 10s. 1d., showing an increase of above 50 per cent. in the latter period over the former. I may observe further, that the importation of articles paying an ad valorem duty of 12½ per cent., which includes cotton and other manufactures, has increased from £1,193,096 19s. 2d. in the first six months of 1852, to £1,910,055 17s. 3d. during the same period of 1853.

7. The exports for the year 1852 exceeded those of the year preceding.

Total Value of Exports during 1852.

	£	s.	d.
From sea ports.....	1,602,290	3	11
From inland ports.....	1,285,923	15	4

2,888,214 0 0

Against.....2,663,983 14 0

for 1851. Or, with the addition in either case of 20 per cent. to the valuation of exports from the inland ports, in order to approximate to the actual values,

Grand Total of Exports in

1852.....3,145,598 14 3

1851.....2,837,785 9 11

8. In this statement of exports the value of the ships built at Quebec in each of the years in question is included. It is estimated for

1851 at.....£342,369 16 6

1852 at.....215,835 12 3

the estimate for the former year being thus considerably in excess of that for the latter. It may be proper, however, to mention that from information I have received I have reason to know that the returns for the current year, when completed, will show a great increase in shipbuilding at the port of Quebec for 1853 over 1852.

9. The returns herewith transmitted give the following statement of the commerce of Canada, with the under-mentioned countries for the year 1852:—

	Exports.			Imports.		
	£	s.	d.	£	s.	d.
Great Britain.....	1,388,395	5	8	2,192,698	9	7
North American Colonies.	166,877	18	4	98,826	3	9
British West Indies.....	2,868	15	5	1,050	19	0
United States.....	1,291,340	1	8	1,741,991	15	4
Other Countries.....	38,731	18	2	133,890	0	9

As regards the commerce with the United States, however, it is to be remarked that it consists both ways to a great extent of goods which pass through that country in transit. The imports from the states comprising large amounts of tea, West Indian sugar, and other articles not indigenous, and the exports thereto including, among other items, vegetable food to the value of £654,711 9s 6d.

10. The revenue from tolls on the provincial canals, which was

in 1851	Gross.....	62,640	3	8
	Net.....	52,545	5	6
was in 1852	Gross.....	69,536	3	7
	Net.....	57,034	17	4

and the total movement of property in tons on the canals—

—	Welland.	St. Lawrence.	Chambly.
1851	691,627 $\frac{1}{4}$	450,400 $\frac{1}{2}$	110,726 $\frac{3}{4}$
1852	743,060	492,575	87,514

The decrease of traffic on the Chambly Canal is probably due to the competition of railways which have come recently into operation, and afford a direct communication from Montreal to the States.

11. The per-centage of increase in the total movement of property on these canals in 1852, as compared with 1848, appears to have been as follows :—

Welland.....	141.5
St. Lawrence.....	199.8
Chambly.....	364.6

Although the traffic on the Chambly Canal, therefore, fell off in 1852, its ratio of increase on the longer term was higher than that of the other canals. Its rapid growth is attributable to the great demand for Canadian sawed lumber which has sprung up of late years in the United States.

12. The number and tonnage of vessels from sea which entered inwards at the ports of Quebec and Montreal were,

In 1851.....	1,469 ships.....	573,397 tons.
In 1852.....	1,332 “	528,738 “

Of which totals the following were foreign vessels belonging to the undermentioned countries :

Countries.	1851.		1852.	
	Number.	Tons.	Number.	Tons.
Bremen.....	—	—	1	134
Mecklenburg.....	2	478	2	469
Norway	47	17,640	58	21,541
Prussia	21	7,667	32	10,314
Hamburg.....	—	—	1	599
Portugal	—	—	6	1,019
Sweden.....	3	989	3	979
United States....	35	20,062	73	36,354
Hanover	1	212	—	—
Russia	8	3,66	—	—
Total....	117	57,716	176	71,409

13. The net revenue of the province of Canada for the year 1852 was £723 7s. 5d. ; expenditure, including interest on public debt and sinking fund, £535,171 6s. 7d.

14. Before concluding this report I will, with your Grace's permission, offer a few remarks on two districts of the province which I have visited since the close of the parliamentary session, and which, though they are out of the track of ordinary travel, possess features of considerable interest.

15. Of these districts, the one which I first visited lies to the south of the St. Lawrence, at a distance of about sixty miles from Quebec. The discovery of gold at various points within it, and more particularly in the beds and banks of some of the smaller streams which fall into the river Chaudière, has attracted attention to it of late years. The geological formation in which these discoveries have been made is held to be a prolongation of the Green Mountains of Vermont, and its strata bears a pretty close analogy to those that run through Virginia, the Carolinas, and other southern states in which gold has been found at intervals both in veins and alluvial deposits. The gold workings in this district have been hitherto conducted

on a very small scale by companies employing hired labour, and for obvious reasons it is difficult under such circumstances to ascertain what may have been the amount of the actual yield. The encouragement which the companies have met with is at any rate such as to induce them, after the experience of two or three years, to continue their operations. I was unable to visit the most productive working, but a considerable quantity of gold was extracted in my presence from the gravel on the bank of a small stream called Des Plantes, which runs into the Chaudière. Whether the gold workings in Lower Canada are likely to prove in any high degree productive, and whether, if they were to become so, it would be an advantage to the province, are questions on which I do not venture to hazard an opinion, but of the existence of that metal in very appreciable quantities in the district I visited, and over an extensive tract of country beyond it, no doubt can be entertained.

16. It may be questionable, whether the principal mineral wealth of the townships of Lower Canada will be found eventually to consist in their auriferous deposits. Copper ore, magnetic and oxyds specular of iron, and other materials capable of economic application, are found in the region so named; and although I am unwilling in a document of this nature, where nothing should be introduced which is not susceptible of proof to admit opinions that are speculative, I am bound to say that statements have been made to me on what purports to be high authority, which seem to warrant the expectation that some of these articles will, at no distant day, be worked to advantage.

17. My second visit was paid to the district which is probably doing more at the present time than any other single section of the province to enable Canada to enter the markets of the world as a purchaser. In my last year's report I adverted to the fact that the returns for 1850 and 1851 showed that in those years the exports of timber and agricultural produce from this province were nearly balanced in respect of value; the returns for 1852 exhibit a similar result. The products of the forest exported during that year being valued at £1,351,713 9s. 7d., and agricultural products, including "animals and their products," "venetable food," and "other agricultural

products," at £1,214,214 3s. 10d. Of the vast amount of wealth represented in this estimate by the products of the forest, the valley of the Ottawa furnishes a large and increasing proportion.

18. This important region takes the name by which it is designated in popular parlance from the mighty stream which flows through it, and which, though it be but a tributary of the St. Lawrence, is one of the largest of the rivers that run uninterruptedly from the source to the discharge within the dominions of the Queen. It drains an area of about 80,000 square miles, and receives at various points in its course the waters of streams, some of which equal in magnitude the chief rivers of Great Britain. These streams open up to the enterprize of the lumberman the almost inexhaustible pine forests with which this region is clothed, and afford the means of transporting their produce to market. In improving these natural advantages considerable sums are expended by private individuals. £50,000 currency was voted by Parliament last session for the purpose of removing certain obstacles to the navigation of the Upper Ottawa, by the construction of a canal at a point which is now obstructed by rapids.

19. From the nature of the business, the lumbering trade falls necessarily in a great measure into the hands of persons of capital, who employ large bodies of men at points far removed from markets, and who are therefore called upon to make considerable advances in providing food and necessaries for their labourers, as well as in building slides and otherwise facilitating the passage of timber along the streams and rivers. Many thousands of men are employed during the winter in these remote forests, preparing the timber which is transported during the summer in rafts, or, if sawn, in boats, to Quebec when destined for England, and up the Richelieu River when intended for the United States. It is a most interesting fact, both in a moral and hygienic view, that for some years past intoxicating liquors have been rigorously excluded from almost all the chantiers, as the dwellings of the lumbermen in these distant regions are styled; and that, notwithstanding the exposure of the men to cold during the winter and wet in the

spring, the result of the experiment has been entirely satisfactory.

20. The bearing of the lumbering business on the settlement of the country is a point well worthy of notice. The farmer who undertakes to cultivate unreclaimed land in new countries generally finds that not only does every step of advance which he makes in the wilderness, by removing him from the centres of trade and civilization, enhance the cost of all he has to purchase, but that, moreover, it diminishes the value of what he has to sell. It is not so, however, with the farmer who follows in the wake of the lumbermen. He finds, on the contrary, in the wants of the latter a ready demand for all that he produces, at a price not only equal to that procurable in the ordinary marts, but increased by the cost of transport from them to the scene of the lumbering operations. This circumstance, no doubt, powerfully contributes to promote the settlement of those districts, and attracts population to sections of the country which, in the absence of any such inducement, would probably remain for long periods uninhabited.

21. The country of the Ottawa, besides its wealth in timber and water power, and considerable tracts of fertile soil, is believed to be rich in minerals, which may probably at some future period be turned to account. It is also worthy of remark, that the route of Ottawa, the Mattawa, Lake Nipissing, and French River, is that by which Europeans first penetrated the West. Along this route Champlain, in 1615, proceeded as far as Lake Nipissing, and thence to the vast and tranquil inland sea to which he gave the appropriate designation of *La Mer Douce*. The Récollet father, Le Caron, bore the Gospel to the Huron tribes along the same track, and was followed soon after by Jesuit missionaries whose endurance and sufferings constitute the truly heroic portion of American annals. This route has been for some time past in a great measure abandoned for that of the Saint Lawrence and the Lakes. The distance, however, from Montreal to the Georgian Bay, immediately facing the entrance to Lake Michigan, is, *viâ* the Ottawa, about 400 miles, against upwards of 1,000 *viâ* the St. Lawrence. From this point to the Sault St. Marie, the highest of the three narrows (Sault St. Marie,

Detroit, and Niagara,) at which the regions lying on either side of the four great lakes, Superior, Huron, Erie, and Ontario, approach each other, is a distance of about 150 miles. It is highly probable, therefore, that before many years have elapsed this route will be again looked to as furnishing a favourable line for railway, if not water communication with the fertile regions of the north-west.

22. I enclose the supplement of a local newspaper, which contains copies of the addresses that were presented to me at various points in my progress up the Ottawa. Your Grace will observe with satisfaction the uniform testimony which they bear to the prosperity of the country and the contentment of the inhabitants. Reports which reach me from other parts of the province speak on this point the same language. Canada has enjoyed seasons of prosperity before, but it is doubtful whether any previous period in the history of the colony can be cited at which there was so entire an absence of those bitter personal and party animosities which divert attention from material interests, and prevent co-operation for the public good.

23. Into the political causes which have mainly contributed to this gratifying result I do not now propose to inquire. When the irritation by which periods of transition are unhappily attended shall have entirely passed away, it is not improbable that Canadians will acknowledge the advantages they have derived from the steady application of sound principles to the administration of their affairs, and that they will look back with satisfaction to the period at which they began to feel practically that the interests which they have in common are more important than those which divide them, and that faithful allegiance to the Crown is not inconsistent with the exercise of those faculties and the indulgence of those aspirations which in communities as in individuals are proper to maturity.

I have, &c.

(Signed) ELGIN AND KINCARDINE.

His Grace the Duke of Newcastle,
 &c. &c. &c.

